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ALASKA RECONSTRUCTION

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HEARING BEFORE THE COMMITTEE ON INTERIOR AND INSULAR AFFAIRS UNITED STATES SENATE EIGHTY-EIGHTH CONGRESS

SECOND SESSION

ON

S. 2881

A BILL TO AMEND THE ALASKA OMNIBUS ACT TO PROVIDE
ASSISTANCE TO THE STATE OF ALASKA FOR THE RECON-
STRUCTION OF AREAS DAMAGED BY THE EARTHQUAKE OF
MARCH 1964 AND SUBSEQUENT SEISMIC WAVES, AND FOR
OTHER PURPOSES

JUNE 3, 1964



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ALASKA RECONSTRUCTION

WEDNESDAY, JUNE 3, 1964

U.S. SENATE,
COMMITTEE ON INTERIOR AND INSULAR AFFAIRS,
Washington, D.C.

The committee met, pursuant to call, at 8:33 a.m., in room 3110, New Senate Office Building, Senator Clinton P. Anderson, presiding.

Present: Senators Anderson, Jackson (chairman of the full committee), Bible, Gruening, Moss of Utah, Burdick, McGovern, Walters, Allott, and Jordan.

Also present: Senator Bartlett, of Alaska.

Staff members present: Jerry T. Verkler, staff director; Stewart French, chief counsel; and Richard W. C. Falknor, professional staff member.

Senator ANDERSON. This is an open public hearing by the Senate Committee on Interior and Insular Affairs on S. 2881, a bill to amend the Alaska Omnibus Act to provide further assistance to the State of Alaska and its citizens for reconstruction of areas damaged by the March 1964, earthquake and subsequent seismic waves.

S. 2881 was introduced by the senior Senator from Alaska, Senator Bartlett, for himself and Senators Jackson, Magnuson, and Gruening. The measure was submitted to the Congress by President Johnson upon the recommendation of the Federal Reconstruction and Development Commission for Alaska, of which I am Chairman.

Without objection, the text of S. 2881, of President Johnson's executive communication, and the accompanying letter of the Commission to the President submitting the draft of the proposed legislation, will appear in the record of these hearings at this point.

(The documents referred to are as follows:)

[S. 2881, 88th Cong., 2d sess.]

A BILL To amend the Alaska Omnibus Act to provide assistance to the State of Alaska for the reconstruction of areas damaged by the earthquake of March 1964 and subsequent seismic waves, and for other purposes

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "1964 Amendments to the Alaska Omnibus Act".

SEC. 2. The Congress hereby recognizes that the State of Alaska has experienced extensive property loss and damage as a result of the earthquake of March 27, 1964, and subsequent seismic waves, and declares the need for special measures designed to aid and accelerate the State's efforts in providing for the reconstruction of the areas in the State devastated by this natural disaster.

SEC. 3. Section 21 of the Alaska Omnibus Act (73 Stat. 145) is amended by adding a new subsection (f) to read as follows:

"(f) Notwithstanding the limitation contained in subsection (f) of section 120 of title 23, United States Code, the Secretary of Commerce is authorized to make expenditures from the emergency fund under section 125 of such title for

the repair or reconstruction of highways on the Federal-aid highway systems of Alaska which have been damaged or destroyed by the 1964 earthquake and subsequent seismic waves, in accordance with the Federal share payable under subsection (a) of section 120 of such title. The increase in expenditures resulting from the difference between the Federal share authorized by this subsection and that authorized by subsection (f) of section 120 of such title shall be reimbursed to the emergency fund by an appropriation from the general fund of the Treasury: *Provided*, That such increase in expenditures shall not exceed \$15,000,000 in the aggregate."

SEC. 4. The Alaska Omnibus Act (73 Stat. 141) is amended by adding the following new sections at the end of section 50 thereof:

"NEW FEDERAL LOAN ADJUSTMENTS

"SEC. 51. (a) The Secretary of Agriculture is authorized to compromise or release such portion of a borrower's indebtedness under programs administered by the Farmers Home Administration in Alaska as he finds necessary because of loss resulting from the 1964 earthquake and subsequent seismic waves, and he may refinance outstanding indebtedness of applicants in Alaska for loans under section 502 of the Housing Act of 1949 for the repair, reconstruction, or replacement of dwellings or farm buildings lost, destroyed, or damaged by such causes and securing such outstanding indebtedness. Such loans may also provide for the purchase of building sites, when the original sites cannot be utilized.

"(b) The Secretary of Agriculture is authorized to compromise or release such portion of a borrower's indebtedness under programs administered by the Rural Electrification Administration in Alaska as he finds necessary because of loss, destruction, or damage of property resulting from the 1964 earthquake and subsequent seismic waves.

"SEC. 52. The Housing and Home Finance Administrator is authorized to compromise or release such portion of any note or other obligation held by him with respect to property in Alaska pursuant to title II of the Housing Amendments of 1955 or included within the revolving fund for liquidating programs established by the Independent Offices Appropriation Act of 1955, as he finds necessary because of loss, destruction, or damage to facilities securing such obligations by the 1964 earthquake and subsequent seismic waves.

"URBAN RENEWAL

"SEC. 53. The Housing and Home Finance Administrator is authorized to enter into contracts for grants not exceeding \$25,000,000 for urban renewal projects in Alaska, including open land projects, under section 111 of the Housing Act of 1949, which he determines will aid the communities in which they are located in reconstruction and redevelopment made necessary by the 1964 earthquake and subsequent seismic waves. Such authorization shall be in addition to and separate from any grant authorization contained in section 103(b) of said Act.

"EXTENSION OF TERM OF HOME DISASTER LOANS

"SEC. 54. Loans made pursuant to paragraph (1) of section 7(b) of the Small Business Act (72 Stat. 387), as amended (15 U.S.C. 636 (b)), for the purpose of replacing, reconstructing, or repairing dwellings in Alaska damaged or destroyed by the 1964 earthquake and subsequent seismic waves, may have a maturity of up to thirty years: *Provided*, That the provisions of section 7(c) of said Act shall not be applicable to such loans.

"MODIFICATION OF CIVIL WORKS PROJECTS

"SEC. 55. The Chief of Engineers, under the direction of the Secretary of the Army, is hereby authorized to make such modifications to previously authorized civil works projects in Alaska adversely affected by the 1964 earthquake and subsequent seismic waves as he finds necessary to meet changed conditions and to provide for current and reasonably prospective requirements of the communities they serve, at an estimated cost of \$10,000,000.

"PURCHASE OF ALASKA STATE BONDS

"SEC. 56. The Housing and Home Finance Administrator is authorized to purchase, in accordance with the provisions of sections 202(b), 203, and 204 of title II of the Housing Amendments of 1955, the securities and obligations of, or make loans to, the State of Alaska to finance any part of the programs needed to carry out the reconstruction activities in Alaska related to the 1964 earthquake and subsequent seismic waves: *Provided*, That the aggregate amount of such purchase or loan shall not exceed \$25,000,000."

APPROPRIATION AUTHORIZATION

SEC. 5. There is authorized to be appropriated such sums as may be necessary to carry out the provisions of this Act, which shall be available for obligation until June 30, 1967. There is also authorized to be appropriated such sums as may be necessary for the expenses of such advisory commissions or committees as the President may establish in connection with the reconstruction and development planning of the State of Alaska.

TERMINATION DATE

SEC. 6. The authority contained in this Act shall expire on June 30, 1967, except that such expiration shall not affect the payment of expenditures for any obligation or commitment entered into under this Act prior to June 30, 1967.

THE WHITE HOUSE, May 27, 1964.

HON. CARL HAYDEN,
President pro tempore of the Senate,
Washington, D.C.

DEAR MR. PRESIDENT: The State of Alaska and the people of Alaska, aided by voluntary agencies and the Federal Government, have begun to rebuild from the ruins of the devastating earthquake of March 27. But new legislative authority is urgently needed to provide the additional special assistance essential to their reconstruction efforts. I am today, therefore, sending to the Congress draft legislation to provide this authority.

Immediately following the earthquake, we moved quickly to assist Alaska and its people. Under existing programs and new authorities proposed in this draft bill, the Federal Government is estimated to spend over \$275 million in Alaska in the course of the earthquake reconstruction program.

Major items in this estimate include \$80 million of grants under the existing authority of the Office of Emergency Planning for restoring public facilities and debris clearance; over \$75 million for restoration of Federal facilities; over \$60 million in grants for highway repair; and up to \$45 million in grants for urban renewal projects. Also, legislation has already been approved by the Congress—which I will sign into law today—authorizing \$23.5 million in grants to the State to make up losses of State and local tax revenues and to insure continuity of government.

In addition, under existing law, various outstanding Federal loans are being adjusted. Federal tax refunds and reductions will be based on casualty losses, and various Federal agencies are extending credit on liberal terms. The Small Business Administration, for example, will make disaster loans on very favorable terms to assist homeowners and businesses in reconstruction.

The legislation which I am proposing—based on recommendations of the Federal Reconstruction and Development Planning Commission for Alaska—will provide greater flexibility in Federal programs to cope with the extraordinary circumstances arising out of the earthquake. Included among the programs involved are highways, urban renewal, housing, and harbor improvements.

The enclosed letter from the Chairman of the Commission, Senator Clinton P. Anderson, describes the principal features of the draft bill.

Concern for our fellow citizens alone compels prompt action on this proposal. But practical considerations are also most important. The construction season in Alaska is about to begin and is of short duration. The sooner Alaska can complete its reconstruction efforts, the sooner it can begin again to devote its efforts toward the further development of the State's resources.

Accordingly, I urge the Congress to take prompt action on the proposed legislation to facilitate Alaskan planning and reconstruction efforts during this summer's construction season.

Sincerely,

LYNDON B. JOHNSON.

[Enclosure]

FEDERAL RECONSTRUCTION AND DEVELOPMENT
PLANNING COMMISSION FOR ALASKA,
Washington, May 23, 1964.

THE PRESIDENT:
The White House, Washington, D.C.

DEAR MR. PRESIDENT: I am enclosing a draft of a bill to provide assistance to the State of Alaska in providing for the reconstruction of areas damaged by the earthquake of March 1964, and subsequent seismic waves, and for other purposes, and a section-by-section analysis.

This legislation is an outgrowth of the considerations of this Commission since the Alaskan earthquake of March 1964. Its purpose is to provide needed special assistance to the State and its people in their reconstruction efforts. The Commission has found that special Federal assistance in the form of legislation is needed now for highways, urban renewal, harbors, housing, and State finances. Areas requiring additional legislation may become apparent at a later time and may be proposed then.

The draft legislation amends the Alaska Omnibus Act and is limited in scope to Alaska and the disaster area. It recognizes (1) that the recent disaster caused extensive property loss and damage in the private and public sector; and (2) that this damage has severely restricted and drained the State's resources.

HIGHWAYS

To provide the special assistance needed to repair and reconstruct the non-forest Federal-aid highways damaged by the earthquake, the draft legislation would authorize an increase in the Federal share of the cost of reconstruction from the present 50 percent to 94.9 percent as provided in the bill, and an appropriation not to exceed \$15 million to cover the increase. The higher percentage is now applicable to new Federal-aid highway construction in Alaska.

Current estimates indicate that up to \$36 million will be required to reconstruct these highways in the disaster area. Under existing law, the State's share of his estimated cost would be one-half this amount. Even with the enactment of pending legislation making transitional grants available to the State, Alaska could not pay its share of highway reconstruction and carry out its other disaster-oriented programs.

DEBT ADJUSTMENT

A preliminary private real property survey indicates that the private loss, as a result of the recent earthquake and subsequent seismic waves, is about \$77 million. The Department of Agriculture, through the Farmers Home Administration and the Rural Electrification Administration, would be authorized by this draft bill to adjust the indebtedness of some of their borrowers to enable them to overcome losses suffered from the earthquake. It would also authorize the refinancing of the outstanding indebtedness of these and other farmers and rural residents similarly damaged. This draft legislation would provide similar debt adjustment authority to the Housing and Home Finance Administrator. These provisions place the programs of the Department of Agriculture and the HHFA on the same general footing as other Federal loan programs which now are authorized to adjust their borrower's indebtedness under disaster conditions.

URBAN RENEWAL

A number of communities in the disaster area of Alaska are considering or have made applications for urban renewal projects. These are: Anchorage, Homer, Kodiak, Seldovia, Seward, and Valdez. Currently available, but very preliminary, estimates indicate that the total cost of these projects may be as high as \$59 million. The Federal share of this cost would be about \$45 million. This share is made up of 75 percent of the project costs plus 100 percent of relocation costs, which is the usual formula for cities of this size.

The Commission gave very serious consideration to the question of whether the Federal grant share should be increased above 75 percent for projects directly related to the earthquake. While recognizing the straitened circumstances of the communities themselves, I believe this increase was not justified on the basis of the available estimates of costs and resources. The preliminary cost figures, admittedly highly tentative, raise substantial questions as to whether the magnitude of the proposed projects is necessary to effect recovery from the effects of the earthquake. At the same time, it seems reasonable to expect the State to provide substantial assistance to the communities in meeting their local share. The draft bill authorizes the purchase by the Federal Government of \$25 million of State bonds for this purpose among others.

The bill would authorize the Housing and Home Finance Administrator to enter into contracts for urban renewal projects in Alaska up to a maximum of \$25 million. The recent disaster makes it essential that this additional contract authority be requested for use in Alaska at this time. To the extent that additional grant funds may be needed to carry out these projects, they would be made available from regular urban renewal grant authorizations.

LOANS

As indicated above, a number of homes in Alaska were damaged or destroyed or in some cases even lost. The Small Business Administration now has authority to make disaster loans to the homeowners with a maximum maturity of 20 years. Since these loans may include some portion of the existing indebtedness on damaged or destroyed homes, as well as the cost of rebuilding these homes, the draft bill would authorize the making of such loans for a maximum period of 30 years.

HARBORS

The draft legislation would authorize the Corps of Engineers to make modifications in previously authorized civil works projects in Alaska, where it is found that such modifications are necessary to overcome the adverse effects of the earthquake. These modifications would include such reasonable expansions in the harbors that many be economically feasible to meet the prospective needs of the communities. The estimated cost is \$10 million.

STATE FINANCES

The State legislature has authorized a \$50 million bond issue to help finance capital projects related to reconstruction from the earthquake. It is expected that for the next 2 years the State will be faced with high capital investment requirements which will add to the State's financial burden.

While the Commission does not expect that all of the \$50 million would be needed now, it appears that one-half or more may be required to supplement the State's revenues and the extended transition grants in order to meet the Federal assistance for major reconstruction and rehabilitation projects over the next 2 years. The draft bill provides Federal assistance in marketing up to \$25 million of these State of Alaska bonds. The Housing and Home Finance Administrator would purchase these bonds with funds now available in the public facility loan revolving fund. The bonds would be sold in the private market, or refunded in the private market by the State, as soon as its regular credit is restored. The State would receive from HHFA the more favorable interest rate for public bodies in redevelopment areas (currently 3½ percent), and principal repayment might be deferred for a few years from the date of the loan or purchase of the bonds.

The agencies represented by the Commission have devoted considerable time and effort in developing this draft bill. There is an urgent need for this legislation. The short construction season requires the initiation of construction as soon as possible in order to permit Alaska to prepare for next winter. It is the belief of the Commission that the bill proposes fiscally responsible means of providing special assistance to the State's reconstruction efforts which must proceed as rapidly as possible. The proposed bill has been reviewed by the interested departments and agencies and the Bureau of the Budget and has received their concurrence. Pursuant to the meetings of May 8 and 22, 1964, of the Commission, it is recommended that this legislation be submitted to the Congress for early action.

Respectfully yours,

CLINTON P. ANDERSON, *Chairman.*

[Enclosures]

A BILL To amend the Alaska Omnibus Act to provide assistance to the State of Alaska for the reconstruction of areas damaged by the earthquake of March 1964 and subsequent seismic waves, and for other purposes

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "1964 Amendments to the Alaska Omnibus Act".

SEC. 2. The Congress hereby recognizes that the State of Alaska has experienced extensive property loss and damage as a result of the earthquake of March 27, 1964, and subsequent seismic waves, and declares the need for special measures designed to aid and accelerate the State's efforts in providing for the reconstruction of the areas in the State devastated by this natural disaster.

SEC. 3. Section 21 of the Alaska Omnibus Act (73 Stat. 145) is amended by adding a new subsection (f) to read as follows:

"(f) Notwithstanding the limitation contained in subsection (f) of section 120 of title 23, United States Code, the Secretary of Commerce is authorized to make expenditures from the emergency fund under section 125 of such title for the repair or reconstruction of highways on the Federal-aid highway systems of Alaska which have been damaged or destroyed by the 1964 earthquake and subsequent seismic waves, in accordance with the Federal share payable under subsection (a) of section 120 of such title. The increase in expenditures resulting from the difference between the Federal share authorized by this subsection and that authorized by subsection (f) of section 120 of such title shall be reimbursed to the emergency fund by an appropriation from the general fund of the Treasury: *Provided*, That such increase in expenditures shall not exceed \$15 million in the aggregate."

SEC. 4. The Alaska Omnibus Act (73 Stat. 141) is amended by adding the following new sections at the end of section 50 thereof:

"NEW FEDERAL LOAN ADJUSTMENTS

"SEC. 51. (a) The Secretary of Agriculture is authorized to compromise or release such portion of a borrower's indebtedness under programs administered by the Farmers Home Administration in Alaska as he finds necessary because of loss resulting from the 1964 earthquake and subsequent seismic waves, and he may refinance outstanding indebtedness of applicants in Alaska for loans under section 502 of the Housing Act of 1949 for the repair, reconstruction, or replacement of dwellings or farm buildings lost, destroyed, or damaged by such causes and securing such outstanding indebtedness. Such loans may also provide for the purchase of building sites, when the original sites cannot be utilized.

"(b) The Secretary of Agriculture is authorized to compromise or release such portion of a borrower's indebtedness under programs administered by the Rural Electrification Administration in Alaska as he finds necessary because of loss, destruction, or damage of property resulting from the 1964 earthquake and subsequent seismic waves.

"SEC. 52. The Housing and Home Finance Administration is authorized to compromise or release such portion of any note or other obligation held by him with respect to property in Alaska pursuant to title II of the Housing Amendments of 1955 or included within the revolving fund for liquidating programs established by the Independent Offices Appropriation Act of 1955, as he finds necessary because of loss, destruction, or damage to facilities securing such obligations by the 1964 earthquake and subsequent seismic waves.

"URBAN RENEWAL

"SEC. 53. The Housing and Home Finance Administrator is authorized to enter into contracts for grants not exceeding \$25,000,000 for urban renewal projects in Alaska, including open land projects, under section 111 of the Housing Act of 1949, which he determines will aid the communities in which they are located in reconstruction and redevelopment made necessary by the 1964 earthquake and subsequent seismic waves. Such authorization shall be in addition to and separate from any grant authorization contained in section 103(b) of said Act.

"EXTENSION OF TERM OF HOME DISASTER LOANS

"SEC. 54. Loans made pursuant to paragraph (1) of section 7(b) of the Small Business Act (72 Stat. 387), as amended (15 U.S.C. sec. 636(b)) for the purpose

of replacing, reconstructing, or repairing dwellings in Alaska damaged or destroyed by the 1964 earthquake and subsequent seismic waves, may have a maturity of up to thirty years: *Provided*, That the provisions of section 7(c) of said Act shall not be applicable to such loans.

"MODIFICATION OF CIVIL WORKS PROJECTS

"SEC. 55. The Chief of Engineers, under the direction of the Secretary of the Army, is hereby authorized to make such modifications to previously authorized civil works projects in Alaska adversely affected by the 1964 earthquake and subsequent seismic waves as he finds necessary to meet changed conditions and to provide for current and reasonably prospective requirements of the communities they serve, at an estimated cost of \$10,000,000.

"PURCHASE OF ALASKA STATE BONDS

"SEC. 56. The Housing and Home Finance Administrator is authorized to purchase, in accordance with the provisions of sections 202(b), 203, and 204 of title II of the Housing Amendments of 1955, the securities and obligations of, or make loans to; the State of Alaska to finance any part of the programs needed to carry out the reconstruction activities in Alaska related to the 1964 earthquake and subsequent seismic waves: *Provided*, That the aggregate amount of such purchase or loan shall not exceed \$25,000,000."

APPROPRIATION AUTHORIZATION

SEC. 5. There is authorized to be appropriated such sums as may be necessary to carry out the provisions of this Act, which shall be available for obligation until June 30, 1967. There is also authorized to be appropriated such sums as may be necessary for the expenses of such advisory commissions or committees as the President may establish in connection with the reconstruction and development planning of the State of Alaska.

TERMINATION DATE

SEC. 6. The authority contained in this Act shall expire on June 30, 1967, except that such expiration shall not affect the payment of expenditures for any obligation or commitment entered into under this Act prior to June 30, 1967.

SECTION-BY-SECTION ANALYSIS OF THE "1964 AMENDMENTS TO THE ALASKA OMNIBUS ACT"

SECTION 1

The short title of the proposed bill is the "1964 Amendments to the Alaska Omnibus Act."

SECTION 2

This section recognizes the national concern over the 1964 Alaskan earthquake and the resultant damage. It also recognizes that there is an urgent need to provide special assistance to the State in carrying out its own efforts toward reconstruction and rehabilitation.

SECTION 3

This section amends section 21 of the Alaska Omnibus Act by adding at the end thereof a new subsection (f).

It is currently estimated that the repair or reconstruction of highways in Alaska damaged by the recent earthquake may cost up to \$65 million. These highways are essential to the economic well-being of the State.

Some of the highways affected are forest highways. The cost of repair and reconstruction of these highways may run to \$29 million and can be accomplished under existing authority with 100 percent Federal funds.

It is estimated that up to \$36 million will be required to repair or reconstruct the Federal-aid highways in the disaster area of the State. Under existing law the cost of repair or reconstruction of Federal-aid highways is shared on a 50-50 basis by the Federal and State Governments. Thus, Alaska's share of the highway reconstruction cost would be \$18 million. If this were new construction,

the Federal share would be 94.9 percent because of the so-called "sliding scale provisions" applicable to Federal-aid highways located in States wherein the unappropriated and unreserved public lands and nontaxable Indian lands, individual and tribal, exceed 5 percent of the total area of all lands therein (1961 statistics show the total acreage of Alaska to be 365,481,600 acres of which 337,497,545 acres are part of the public domain or about 90 percent of the total acreage in the State).

This new subsection is designed to increase the Federal share of reconstruction from 50 to 94.9 percent of the total cost by making the "sliding scale provisions" of section 120(a) of title 23 applicable to these Federal-aid highways in Alaska. It limits the increase in the Federal share to not more than \$15 million in the aggregate and provides that the amount of the increase shall be reimbursed to the highway emergency fund by an appropriation from the general fund of the Treasury. This initial 50 percent of the Federal share would continue to be financed in the presently authorized manner.

In view of the dimensions of the recent disaster in Alaska and the resulting drain on the State's resources, it seems appropriate to increase the Federal share in the manner proposed in this case.

SECTION 4

This section of the proposed bill amends the Alaska Omnibus Act by adding six new sections to the existing provisions of that act.

Federal loan adjustments

Section 51(a) would authorize the Secretary of Agriculture to make adjustments in indebtedness of farmers and rural residents who are borrowers of the Farmers Home Administration to enable them to have a reasonable opportunity to overcome losses suffered from the earthquake and become reestablished on a sound basis. It would also provide authority for refinancing these and other farmers and rural residents similarly damaged. This authority is intended to apply to communities of 2,500 persons or less, as the Small Business Administration will handle such refinancing in larger communities.

When geological surveys determine the original building site to be unusable, Farmers Home Administration would be authorized to include funds in the loans for purchase of a replacement building site.

The Farmers Home Administration has loans outstanding with 200 families in Alaska, totaling approximately \$4 million. These families could not obtain credit from other sources at the time they received their loans. Therefore, such families who suffered damage or loss to their real or chattel property and partial or total loss of income for an indefinite period ordinarily would be unable to recover from their losses without an adjustment in their debts. Special assistance of the type provided in this section of the proposed bill would be necessary for some of these families to recover from this disaster.

Section 51(b) would authorize the Secretary of Agriculture to adjust indebtedness of borrowers in Alaska from the Rural Electrification Administration as he finds necessary because of property loss directly resulting from the earthquake. It is intended that such adjustments would not take into account loss of revenue.

The Rural Electrification Administration has loans outstanding in Alaska to nine electric cooperatives aggregating \$76,362,468, and to two public bodies aggregating \$2,479,000. There is also one loan outstanding to a telephone cooperative in the amount of \$1,863,000. Preliminary reports indicate that substantial damage has been sustained by two electric cooperatives—Chugach Electric Association, Anchorage, with a loan commitment in the amount of \$47,494,000 and Kodiak Electric Association, Kodiak, with a loan commitment in the amount of \$1,555,000. Funds actually advanced to these two systems total \$31,957,436, and the outstanding balance of principal and accumulated interest owed by them is \$29,322,611.

An appraisal of the damage is now underway as is a determination of their ability to repay the outstanding balances of their loans and to carry the additional debt which will be required to finance the reestablishment of their systems on an economically feasible basis. Special assistance of the type provided in this proposal in an amount not yet determined may be necessary to facilitate the restoration and repair of facilities damaged or destroyed as a result of the earthquake.

It is intended that the authorities in section 51 would be used despite any restrictive provisions of existing law relating to compromises, settlements, or adjustments of borrower's indebtedness under these programs.

Section 52 would authorize the Housing and Home Finance Administrator to compromise or release such portion of any obligations which he holds in Alaska under the public facility loan program or under the revolving fund for liquidating programs, to the extent he finds that such relief is necessary because the facilities securing these obligations have been substantially damaged by the recent earthquake. Presently, the Administrator has no authority to provide any relief in situations such as this, beyond the rescheduling of required loan payments.

Under the revolving fund for liquidating programs, the Housing Administrator holds obligations received in three programs which are now no longer operative: The Alaska housing loan program, the public agency loan program (RFC), and the prefabricated housing loan program. There has been extensive damage, estimated to total about \$1.5 million, to two projects financed under the Alaska housing loan program. These are the McKinley Apartments and the "1200 L" Apartments, high-rise projects in downtown Anchorage. The mortgages on these properties are pledged by the Alaska State Housing Authority to the Administrator as part of the security for the Federal loan it received under the Alaska housing loan program for the financing of these apartments. It is not yet certain whether the damage to these properties will prevent the authority from making full payment of its Federal obligation.

The effect of sections 51 and 52 will be to place these programs in Alaska on the same general footing as other Federal loan programs which presently adjust their borrowers' indebtedness under disaster conditions.

It should be noted that the disaster relief authority of the Office of Emergency Planning may be able to accomplish some of the objectives of sections 51(b) and 52 and section 53 below. It is expected that such authority would be used to the maximum extent possible in such cases.

Urban renewal

Section 53 would authorize the Housing and Home Finance Administrator to enter into contracts for urban renewal projects in Alaska up to a maximum of \$25 million under title I of the Housing Act of 1949. This authorization would be available only in connection with projects which he finds will directly aid in the reconstruction and redevelopment of the areas in Alaska that were substantially damaged or destroyed by the recent disaster. While housing legislation pending in the Congress provides for an increase in existing urban renewal grant authority, the recent disaster makes it essential that some additional contract authority be requested for use in Alaska in advance of the enactment of the pending legislation.

A number of communities in the disaster area of Alaska are considering or have made applications for urban renewal projects. These are Anchorage, Homer, Kodiak, Seldovia, Seward, and Valdez. Currently available estimates indicate that the total cost of these projects may be \$59 million. The Federal share of this cost would be about \$45 million. This share is made up of 75 percent of the project costs plus 100 percent of relocation costs, which is the usual formula for cities of this size.

Since planning of all these projects is still underway by the local communities, the estimates of costs are highly tentative and may be revised substantially downward. In any event the \$25 million additional grant authority proposed in the bill would be sufficient to proceed on a timely basis and to take advantage of the forthcoming construction season which in Alaska is extremely short. To the extent that additional grant funds may be needed to carry out these projects, they would be made available from regular urban renewal grant authorizations.

While it is recognized that these communities may lack sufficient funds as a result of the earthquake to meet the local share, it is expected that the State will assist these communities in meeting their share through the marketing of its bonds. In this connection, provision is made in section 56 of this bill for the Housing and Home Finance Administrator to purchase up to \$25 million of Alaska State bonds or to make loans in that amount to assist the State's reconstruction effort.

The earthquake has created exceptional circumstances which may make it necessary to relocate the town of Valdez on open land some distance from the present site. Existing urban renewal law does not authorize the making of grants for projects consisting of open land, since it was anticipated that such projects, not involving any demolition of structures, could be carried out without cost. It is possible, however, that grants may be required if Valdez is relocated.

Section 53 would therefore authorize the Administrator to make grants for

urban renewal projects consisting of open land in the disaster area. It is expected that the use of this authority will be limited to the possible relocation of Valdez.

Extension of term of home disaster loans

Section 54 would authorize the Administrator of the Small Business Administration to make loans, in accordance with the provisions of section 7(b) (1) of the Small Business Act, for the repair or reconstruction of homes destroyed or damaged in Alaska by the recent earthquake for a maximum period of 30 years. In making such loans, however, the Administrator could not extend the maturity date, as provided in section 7(c) of the act, for an additional 10 years. Presently all loans made under section 7(b) (1) of the act must mature in 20 years or less; section 7(c) authorizes an extension for an additional 10 years or less for the orderly liquidation of the loan, if needed.

Modification of civil works projects

Section 55 would authorize the Secretary of the Army through the Chief of Engineers to modify existing civil works projects in Alaska to meet the changed conditions brought about by the recent earthquake and the current and prospective needs of the communities affected by these projects. Existing projects may be expanded where economically feasible and if the most economic method for construction of the expansion is concurrent with, or in lieu of, replacement of the damaged installation.

Purchase of State bonds

Section 56 would authorize the Housing and Home Finance Administrator to purchase, in accordance with the applicable provisions of the existing public facility loan program and from funds available in the public facility loan revolving fund, up to \$25 million of State of Alaska bonds issued to finance the State's share of earthquake reconstruction projects. Alternatively, the Administrator could make a loan to the State for this purpose.

These bonds would have a maximum maturity of 40 years. It is contemplated that the State would receive the more favorable interest rate available to public bodies in redevelopment areas from HHFA (currently 3½ percent), and that the State would be able to improve on this rate in the private market within 2 years. It is further contemplated that the first principal repayment might be deferred for a few years after the granting of the loan or the purchase of the bonds. The exact repayment schedule would be determined by the Administrator, taking into account the probable future capacity of Alaska to meet these principal repayments. As soon as the State's regular credit standing is restored, the bonds would either be sold in the private market by the Federal Government, or refunded in the private market by the State.

Shortly after the Alaskan earthquake, the State legislature authorized a \$50 million bond issue to help finance reconstruction, recovery, and some other capital projects. Since this action, the State authorities have tended to the view that the authorized bonds are unmarketable except at prohibitive interest costs.

There is no question that the State of Alaska—even with the favorable proposals for Federal assistance—will be faced in the next 2 years with abnormally high capital investment requirements, but with a temporary decline in investor interest in the State's obligations. The result, without further assistance, would be to require the State to pay high interest rates which cannot be justified over the long run and which would add to the State's financial burdens.

While it is not expected that all of the \$50 million would have to be offered in connection with the present disaster, it appears that one-half or more may be required to supplement the State's revenues and extended transition grants in order to carry out its share of major reconstruction and rehabilitation projects, such as highways and urban renewal. It is expected that up to \$14 million of the bonds would be used by the State to assist the local communities in meeting their share of urban renewal projects contemplated in the disaster area. Federal assistance in marketing this portion of the \$50 million seems warranted to insure the success of other Federal proposals to aid the State's reconstruction efforts.

If the bonds are bought by the Federal Government as proposed in this bill, it should be possible within a reasonably short time for them to be resold or refinanced in the private market. As a result:

- (a) Alaska's temporary needs would be met;
- (b) No penalty interest costs would be involved; and
- (c) The Federal Government's cost could be recovered as soon as it was no longer needed.

SECTION 5

This section authorizes the appropriation of necessary funds to the various agencies to carry out the provisions of this bill. The appropriations would be made available for obligation until June 30, 1967. This should provide sufficient time for the State to take advantage of the special Federal assistance made available by this bill.

Section 5 would also authorize appropriations for such advisory commissions or committees as the President may establish in connection with Alaskan reconstruction and development planning. It is intended that this authority would be available for the expenses of the existing Federal Reconstruction and Development Planning Commission for Alaska.

SECTION 6

This section provides for the termination on June 30, 1967, of the authorities contained in this bill. It is recognized, however, that certain projects may not be completed then, and provision is made for expenditures on approved projects beyond that date.

Senator ANDERSON. It should be noted that I am chairing these hearings at the request of Senator Jackson, the duly elected chairman of the Interior Committee. The reason is that, since I am Chairman of the Federal Reconstruction and Development Commission for Alaska, serving by appointment of President Johnson, it was deemed desirable that Federal legislative and executive action for earthquake relief and rehabilitation in Alaska should be coordinated. The committee this morning is sitting as a Special Committee of the Whole.

The pending legislation is the latest in a series of Federal actions to give aid to Alaska in its hour of need. It will be recalled that within a very few days after the disaster, the Congress approved an appropriation of \$50 million to the Federal disaster relief fund administered by the Office of Emergency Planning. Then last month we approved S. 2772, also an administration bill to amend the Omnibus Act, to authorize appropriations of an additional \$23.5 million in transitional grants to the State. This measure was signed into law on May 27 by President Johnson, becoming Public Law 88-311. Both of these legislative enactments were designed to help the public, as distinct from the private, sector of the Alaskan economy.

S. 2881, however, would extend Federal aid to private individuals and businesses in Alaska as well as providing additional authority and additional funds for the public sector. This help is spelled out clearly, I believe, in the Commission's letter to the President, which already has been made a part of this record.

Before bringing these brief opening remarks to a close, and calling on the Senators sponsoring the legislation and other witnesses, I would like to emphasize a statement in President Johnson's letter by quoting it. The President said:

Under existing programs and new authorities proposed in this draft bill, the Federal Government is estimated to spend over \$275 million in Alaska in the course of the earthquake reconstruction program.

Just as no State ever has suffered as great blows to its economy, proportionately, as has Alaska from a natural disaster, so, too, no State ever has received as much help from the Federal Government for relief from the effects of such a disaster.

Senator Bartlett, the senior Senator from Alaska and primary sponsor of the bill, is with us today. Senator Bartlett, would you care to make a comment?

Senator BARTLETT. Thank you very much, Mr. Chairman. I will not take the time of the committee at this time to make a statement. I am for the legislation, and since time is so limited, with the Senate going into session at 9, I believe, with so many witnesses to be heard, I at least will defer my statement until a later date.

Thank you.

Senator ANDERSON. Senator Gruening?

Senator GRUENING. Thank you. I also think the time being limited I would prefer to yield to the various witnesses. I am in favor of this legislation, but I am also in favor of some amendments which I think will strengthen and improve it.

Thank you.

Senator ANDERSON. Mr. Seidman?

Mr. Seidman is Assistant Director for Management and Organization, Bureau of the Budget. He has certain other representatives with him.

STATEMENT OF HAROLD SEIDMAN, ASSISTANT DIRECTOR FOR MANAGEMENT AND ORGANIZATION, BUREAU OF THE BUDGET; ACCOMPANIED BY DWIGHT INK, EXECUTIVE DIRECTOR, ALASKA RECONSTRUCTION COMMISSION; DAVID FINNEGAN, ALASKA RECONSTRUCTION COMMISSION; AND HOWARD SCHNOOR, BUREAU OF THE BUDGET

Mr. SEIDMAN. Mr. Chairman, I am accompanied this morning on my right by Mr. Dwight Ink, Executive Director of the Alaska Reconstruction Commission. On my left, Mr. David Finnegan, on the staff of the Alaska Reconstruction Commission, and on his left—

Senator ANDERSON. I am sorry, Mr. Seidman. It is hard to hear. Will you talk into the microphone. Your voice was lost up here. Will you again introduce your aids.

Mr. SEIDMAN. On my right is Mr. Dwight Ink, Executive Director of the Alaskan Reconstruction Commission. On my left, Mr. David Finnegan, and on his left, Howard Schnoor of my staff of the Bureau of the Budget. We also have present here the representatives of the various agencies here concerned. If there is detailed questioning, I may call on them for assistance in providing the answers to the committee.

Mr. Chairman, I have a statement, and with your permission I will proceed.

Mr. Chairman and members of the committee, I am pleased to appear before this committee in support of S. 2881.

The draft of this legislation was transmitted to the Congress on May 27, 1964, by the President. The legislation is based on the recommendations of the Federal Reconstruction and Development Planning Commission for Alaska which was established by Executive order on April 2, 1964.

As the President stated in his letter of transmittal, new legislative authority is urgently needed to provide the additional special assistance essential to Alaska's reconstruction. S. 2881 will provide greater flexibility in Federal programs to deal with a number of extraordinary problems resulting from the disaster, such as the repair and reconstruction of highways and harbors, the rebuilding of communities, the adjustment of debts, and facilitating the sale of State bonds for reconstruction purposes.

Here, it should be emphasized that S. 2881 is—

- (1) Limited in scope to Alaska and in particular to the disaster area;
- (2) It is aimed only at the State's reconstruction efforts; and
- (3) It is temporary, as the authority contained in the bill will terminate on **June 30, 1967.**

The tragic earthquake which struck south-central Alaska on Good Friday left 115 persons dead or missing and caused over \$300 million worth of damage based on the latest Federal estimates. This damage estimate includes losses to Federal facilities, such as the Alaska Railroad, amounting to about \$71 million; State and local public property losses totaling about \$148 million; and in the private sector, real property losses of about \$77 million. This damage estimate, however, does not include personal property losses which we have not surveyed.

The Alaskan people have faced the complex and difficult problems resulting from this devastation with courage and determination. The State has pledged that it will do all it can to carry a fair share of the recovery effort. The Federal Government has also pledged to do its share.

The Federal Government is now able to do a great deal under existing authorities.

The Office of Emergency Planning has aided the disaster area by providing assistance in clearing rubble, in providing shelter and supplies, and in the emergency repair and restoration of needed services, including public facilities. It is estimated that the work eligible for grants under Public Law 875 will total about \$80 million.

In the private sector, the Small Business Administration is making favorable disaster loans to help individual homeowners and businessmen in the stricken area. Commercial fishermen are being aided by the Department of the Interior with loans made from the fisheries loan fund to finance the repair of vessels. The Housing and Home Finance Agency and the Veterans' Administration are adjusting outstanding loans to homeowners whose houses were lost or destroyed.

Individuals and corporations will be entitled to tax refunds or reductions based on their casualty losses. Needed Federal facilities are being restored. Regular Federal programs are continuing to supply aid to the State; in some cases they are being expanded to provide additional aid. The Congress has already passed legislation authorizing an additional \$23.5 million in transitional grants to Alaska. These transitional grants, the grants available under Public Law 875, and the grants for the reconstruction of forest highways, all of these grants totaling about \$130 million, will be 100 percent Federal funds.

S. 2881 is a vital part of this total Federal effort. It is an outgrowth of the deliberations of the Federal Reconstruction and Development Planning Commission for Alaska, in cooperation with the various Federal agencies and the State of Alaska.

The bill provides special Federal assistance for highways, urban renewal, debt adjustments, loan maturity extensions, harbors, and State finances. This assistance is in addition to that now available under existing authority.

The earthquake damage disrupted highway service in the general area south of Anchorage, in the vicinity of Cordova, and on Kodiak Island, but did not seriously affect other highways of Alaska. The State highway department and the regional staff of the Bureau of Public Roads estimate that the replacement of all highway to present design standards will cost about \$65 million.

Since temporary repairs will restore all necessary traffic service this summer, the reconstruction work may be carefully scheduled over a period of approximately 3 years. This will avoid "crash" programing and excess costs. Individual projects for reconstruction must be designed by the State and approved by the Bureau of Public Roads before funds will be allocated for initiating construction. Under normal procedures the Bureau of Public Roads should be able to assure that only justifiable restoration expenses are authorized from emergency relief funds. This is an important control which may result in final costs below present estimates.

Under the Federal-Aid Highway Act there is annually available \$30 million for emergency highway repair and reconstruction. These funds may be spent without matching by the State on the forest highways and on a 50-50 matching basis on the Federal-aid system. Some of the highways affected by the earthquake are forest highways. The cost of repair and reconstruction of these highways may run to \$29 million.

Under existing law, Alaska's share of the cost of repair or reconstruction of nonforest Federal-aid highways would be \$18 million. If this were new construction, the Federal share would be 94.9 percent, because of the so-called sliding scale provisions applicable to Federal-aid highways located in States wherein the unappropriated and unreserved public lands and nontaxable Indian lands, individual and tribal, exceed 5 percent of the total area of all lands therein.

S. 2881 is designed to increase the Federal share of reconstruction from 50 to 94.9 percent of the total cost by making the "sliding scale provisions" of section 120(a) of title 23 applicable to these Federal-aid highways in Alaska. The bill limits the increase in the Federal share to not more than \$15 million in the aggregate and provides that the amount of the increase shall be reimbursed to the highway emergency fund by an appropriation from the general fund of the Treasury. The initial 50 percent of the Federal share would continue to be financed in the presently authorized manner.

In view of the dimensions of the recent disaster in Alaska and the resulting drain on the State's resources, it seems appropriate to increase the Federal share in the manner proposed in this case.

S. 2881 would authorize the Secretary of Agriculture to make adjustments in the amounts owed the Farmers Home Administration by farmers and rural residents in the disaster area of Alaska. It is estimated that there are about 82 loans made by the Farmers Home Administration in this area averaging \$18,000 each.

The bill would also authorize the Secretary of Agriculture to provide refinancing on highly favorable terms to borrowers of the Farmers Home Administration and to other farmers and rural residents

who have been similarly damaged and who live in communities of 2,500 persons or less. This authority is comparable to that of the Small Business Administration. It is expected that the SBA will provide refinancing in the larger communities.

Many families who suffered damage or loss to their real or chattel property and partial or total loss of income for an indefinite period ordinarily would be unable to recover from their losses without an adjustment in their debts. Special assistance of the type provided in this bill would be necessary for some of these families in Alaska to recover from this disaster.

In addition, the Secretary of Agriculture under this bill is authorized to adjust in Alaska the indebtedness of borrowers from the Rural Electrification Administration to the extent such borrowers are directly damaged by the earthquake. This is designed to facilitate the restoration and repair of facilities damaged or destroyed by the disaster. It is intended that these adjustments would not take into account loss of revenue.

The Rural Electrification Administration has loans outstanding in Alaska to nine electric cooperatives aggregating \$76,362,468, and to two public bodies aggregating \$2,479,000.

There is also one loan outstanding to a telephone cooperative in the amount of \$1,863,000. Preliminary reports indicate that substantial damage has been sustained by two electric cooperatives—Chugach Electric Association, Anchorage, with a loan commitment in the amount of \$47,494,000 and Kodiak Electric Association, Kodiak, with a loan commitment in the amount of \$1,555,000. Funds actually advanced to these two systems total \$31,957,436, and the outstanding balance of principal and accumulated interest owed by them is \$29,322,611.

An appraisal of the damage is now underway as is a determination of the ability of these cooperatives to repay the outstanding balances of their loans and to carry the additional debt which would be required to finance the reestablishment of their systems on an economically feasible basis. Special assistance of the type provided in this bill in an amount not yet determined may be necessary to facilitate the restoration and repair of facilities damaged or destroyed as a result of the earthquake.

S. 2881 would also authorize the Housing and Home Finance Administrator to compromise or release obligations which he holds in Alaska under the public facility loan program or under the revolving fund for liquidating programs, to the extent he finds that such relief is necessary because the facilities securing these obligations have been substantially damaged by the recent earthquake. Under the revolving fund for liquidating programs, the Housing Administrator holds obligations received in four programs which are now no longer operative: The Alaska housing loan program, the public agency loan program (RFC), the prefabricated housing loan program, and the war public works program under the Lanham Act. Except for the war public works program, the Administrator now has authority to revise these obligations only through the rescheduling of required loan payments.

The purpose of these debt adjustment provisions of the bill is to place these programs in Alaska on the same general footing as other

Federal loan programs which presently adjust their borrowers' indebtedness under disaster conditions.

The earthquake caused extensive property damage in Alaska. In at least one case—Valdez—there is a real possibility that the townsite will be relocated because the present site is geologically unsafe.

Since the earthquake a number of communities in the disaster area are considering or have made application for urban renewal projects. S. 2881 would authorize an increase of \$25 million in the contract authority of the Housing and Home Finance Administrator to carry out urban renewal projects in the disaster area of Alaska. Currently, it is estimated that the Federal share which is limited by existing law to three-fourths of the aggregate net project costs may be as high as \$45 million. The local share of these projects based on preliminary estimates would be about \$13 million. There is every indication, however, that these estimates will be scaled downward, and the most recent estimate I have, it is now somewhat below \$30 million. It is expected that if any additional Federal funds are needed over and above the \$25 million authorized in the bill, these funds would come from regular urban renewal grant authorizations.

Consideration was given by both the Commission and the executive branch to increasing the Federal share of these projects above the normal 75 percent authorized by existing law. It was, however, determined that such an increase was not justified on the basis of the available estimates of costs and resources. Also, it was determined, in consonance with the disaster provisions of existing urban renewal law, that the State or the local communities should have a substantial financial interest in these projects. To provide necessary assistance to the State and communities, the bill would authorize the making of a loan or the purchase of up to \$25 million of State of Alaska bonds for the purpose of assisting the communities in meeting the local share of these projects and for other purposes.

As I have indicated, the earthquake has created exceptional circumstances which may make it necessary to relocate the town of Valdez on open land some distance from the present site. Existing urban renewal law does not authorize the making of grants for projects consisting of open land, since it was anticipated that such projects, not involving any demolition of structures, could be carried out without cost. It is possible, however, that grants may be required if Valdez is relocated.

S. 2881 would, therefore, authorize the Administrator to make grants for urban renewal projects consisting of open land in the disaster area. It is expected that the use of this authority will be limited to the possible relocation of Valdez.

Presently, the Small Business Administration makes loans under its disaster authority to homeowners, among others, for a term of 20 years. To aid the Alaskan disaster victims, the SBA provides that these loans may be amortized on a 30-year basis although the maturity of the loan is 20 years. This may result in a balloon payment for the balance of the loan at the end of 20 years.

S. 2881 would authorize the making of a maximum of 30-year disaster loans for the repair or reconstruction of homes destroyed or damaged by the disaster. While these loans would not be amortized beyond the 30-year period, under this authority, the Small Business

Administration could make the loans without a balloon payment at the end of the term. Thus, the borrower would not be required to obtain additional financial assistance to pay this balloon payment.

S. 2881 would authorize the Secretary of the Army through the Chief of Engineers to modify existing civil works projects in Alaska to meet the changed conditions brought about by the recent earthquake and the current and prospective needs of the communities affected by these projects. Existing projects may be expanded where economically feasible and if the most economic method for construction of the expansion is concurrent with, or in lieu of, replacement of the damaged installation.

The authorized harbor projects at Homer, Valdez, and Seward were completely destroyed and, because of changed physical conditions, reconstruction of the harbors at the original sites is not feasible. As a result, the construction of modified projects which will meet the changed conditions and current and prospective needs of these three communities is proposed. Also, the entrance channel at Cordova requires dredging to restore previous depths, and miscellaneous damage to various harbors expected to be found in the course of hydrographic surveys will need to be repaired. In view of the importance of small boat harbors to the fishing industry in Alaska, it is urgent that the restoration of these projects begin as soon as possible.

After the earthquake, the Alaskan Legislature authorized a \$50 million bond issue to aid in financing the State's reconstruction efforts. One investment house indicated that these bonds could be sold at an interest rate between $4\frac{1}{4}$ and $4\frac{1}{2}$ percent maturing in not to exceed 25 years. Immediately before the earthquake State of Alaska bonds sold at 3.56 percent interest.

S. 2881 would authorize the Housing and Home Finance Administrator to purchase, in accordance with the applicable provisions of the existing public facility loan program and from funds available in the public facility loan revolving fund, up to \$25 million of State of Alaska bonds issued to finance the State's share of earthquake reconstruction projects. Alternatively, the Administrator could make a loan to the State for this purpose.

These bonds would have a maximum maturity of 40 years. It is contemplated that the State would receive the more favorable interest rate available to public bodies in redevelopment areas from HHFA (currently $3\frac{5}{8}$ percent), and that the State would be able to improve on this rate in the private market within 2 years. It is further contemplated that the first principal repayment might be deferred for a few years after the granting of the loan or the purchase of the bonds. The exact repayment schedule would be determined by the Administrator, taking into account the probable future capacity of Alaska to meet these principal repayments. As soon as the State's regular credit standing is restored, the bonds would either be sold in the private market by the Federal Government, or refunded in the private market by the State.

There is no question that the State of Alaska—even with the favorable proposals for Federal assistance—will be faced in the next 2 years with abnormally high capital investment requirements, but with a temporary decline in investor interest in the State's obligations. If special assistance were not provided, the State would be required to

pay high interest rates which cannot be justified over the long run and which would add to the State's financial burdens.

While it is not expected that all of the \$50 million would have to be utilized in connection with the present disaster, it appears that one-half or more may be required to supplement the State's revenues and extended transition grants in order to carry out the State's share of major reconstruction and rehabilitation projects, such as highways and urban renewal. Federal assistance in marketing this portion of the \$50 million seems warranted to insure the success of other Federal programs to aid the State's reconstruction efforts.

If the bonds are bought by the Federal Government, as proposed in this bill, it should be possible within a reasonably short time for them to be resold or refinanced in the private market. As a result:

- (a) Alaska's temporary needs would be met;
- (b) No penalty interest costs would be involved; and
- (c) The Federal Government's cost could be recovered as soon as it was no longer needed.

As the President stated in his letter of transmittal:

Concern for our fellow citizen alone compels prompt action on this proposal. But practical considerations are also most important. The construction season in Alaska is about to begin and is of short duration. The sooner Alaska can complete its reconstruction efforts, the sooner it can begin again to devote its efforts toward the further development of the State's resources.

Senator ANDERSON. Senator Jackson?

Chairman JACKSON. I have no immediate questions.

Senator ANDERSON. Senator Jordan?

Senator JORDAN. No question. I yield to the Senator.

Senator ANDERSON. Senator Bible?

Senator BIBLE. I yield to the Senator from Alaska.

Senator ANDERSON. Senator Gruening?

Senator GRUENING. Mr. Seidman, on page 9 you mention that consideration was given both by the Commission and the executive branch to increasing the Federal share of these projects above the normal 75 percent authorized by existing law. In other words, that on urban renewal you recommend the 75-25 proportion rather than the 90-10 originally proposed by the Administrator of the Home Finance Agency.

Now, Senator Bartlett and I are in receipt of telegrams from various mayors of cities grievously damaged by earthquake and tidal waves. Mayor Stockton of Seward sent a wire to Senator Bartlett. I have received a wire from the acting mayor of Anchorage, a wire from the mayor of Valdez, and the mayor of Kodiak, Peter Deveau, all saying their cities cannot afford the 75-25 percent ratio and asking for the 90-10.

I am going to ask that these be included in the record.

(The documents referred to follow:)

SEWARD, ALASKA.

Hon. E. L. BARTLETT,
U.S. Senator.

City of Seward urgently requests change in Federal participation in urban renewal project for Seward work caused by disaster from 75 to 90 percent. City absolutely financially unable to raise 25 percent due to complete loss of industry. Greatly appreciate your fine efforts in our behalf.

PERRY R. STOCKTON, Mayor.

ANCHORAGE, ALASKA, May 30, 1964.

SENATOR ERNEST GRUENING,
U.S. Senate, Washington, D.C.

Review of city's financial situation indicates use of urban renewal process to reconstruction devastated areas of city extremely difficult under normal 75-25 formula. City council and administration urge serious consideration of 90-10 formula. Anchorage debt service already at maximum feasible limit. Taking 25 percent of general fund operating revenue for next 2 fiscal years. Previous 6-year capital improvement program indicated serious difficulty meeting ordinary capital needs. Tax anticipation from renewal project is no help since restored slide areas probably will have to be used for parks or public space, and tax return will be much less than before disaster. Urban renewal appears to be the only method for redevelopment of slide areas. Local share of cost, however, will not be available for many years. The 90-10 formula would minimize burden on Alaskan cities if State assumes 10 percent of cost as now planned.

JOE YESENSKI, *Mayor Pro Tem*
(For the City Council.)

VALDEZ, ALASKA, May 30, 1964.

Senator GRUENING,
U.S. Senate, Washington D.C.:

We urge your support for 90 percent Federal urban renewal matching funds for disaster torn Alaska cities. Valdez has been left with the necessity for increased expenditures and virtually no tax base. Difficult even with State aid to raise 10 percent of urban renewal project cost. Twenty-five percent would be almost impossible.

Respectfully,

BRUCE WOODFORD,
Mayor, City of Valdez.

KODIAK, ALASKA, May 30, 1964.

U.S. Senator ERNEST GRUENING,
Senator Office Building, Washington, D.C.:

Understand Alaska omnibus bill does not contain provision for 90-10 matching ratio for disaster urban renewal projects. This will make it impossible for our community to proceed with rebuilding our downtown business district which was almost totally destroyed. Urgently request you work for 90-10 matching ratio so we may proceed with the rebuilding.

PETER DEVEAU,
Mayor, City of Kodiak.

Senator GRUENING. It would seem to me that the testimony of these mayors, who are familiar with the financial situation in the cities, should be given considerable weight in determining this percentage of participation.

How was this 75-25 decision arrived at?

Mr. SEIDMAN. Senator Gruening, I think I can respond to the telegrams from the mayors. Under the provisions in this bill it is contemplated that where the local communities cannot afford the 25-percent contribution, this would be provided by the State of Alaska. This was one of the reasons why the authority was provided in the bill for the Federal Government under the community facilities program to purchase up to \$25 million of the State's bonds. It was the intent that in those cases where the local community was not in a position to finance either all or part of the 25-percent share in the urban renewal projects, that this would be provided by the State through the borrowing under the provisions of the bill.

Senator GRUENING. Do you assume that the State of Alaska will be able to afford to do that?

Mr. SEIDMAN. Yes, we do.

Senator GRUENING. Well, I think that is very much of a question.

Now, later when you talk about the purchase of bonds by the Federal Government, are you familiar with the terms of the grants and loans made to Chile after the earthquake down there?

Mr. SEIDMAN. I have read some of Senator Gruening's statements in this regard. I have not personally looked into it.

Senator GRUENING. Well, it would be useful I think for the committee if you would provide for the record the terms on which the grant and loans were made to Chile after the earthquake disaster. I would like to suggest that similar terms be available to Alaska.

Mr. SEIDMAN. In this regard, I might point out, as I understand it—and as I say, I have not personally gone into any detail in this—a good part of the Chilean loan was for the purpose of restoring facilities and clearing of rubble. Funds for this purpose are provided to the State of Alaska under Public Law 875 as an outright grant. As I indicated earlier in my statement, there is \$130 million of assistance being provided to the State of Alaska now for reconstruction which is all 100 percent Federal money. This is an outright grant. There is no question of a loan or any interest rate on that part of the Federal funds that are going into reconstruction of Alaska, and in some degree what was done for Chile as a loan under a very low interest rate is comparable to that which is done for States under Public Law 875.

Senator GRUENING. What was the interest rate to Chile? Do you recall?

Mr. SEIDMAN. What was that?

Senator GRUENING. What was the interest rate to Chile on the \$100 million loan?

Mr. SEIDMAN. I think it was something less than 1 percent. The loan terms called for repayment in dollars over a 40-year period with a service charge of three-quarters of a percent and no interest.

Senator GRUENING. A service charge of three-quarters of 1 percent but no interest at all on the loan. And this was following a grant of \$20 million which was not repayable at all; isn't that correct?

Mr. SEIDMAN. Yes. You are correct. There was a direct \$20 million grant, and there was a \$100 million, 40-year, no-interest loan with a three-quarters of 1 percent service charge.

Senator GRUENING. I think it is important to have these facts in the record because when the committee considers this bill and possible amendments, I shall propose a treatment of Alaska corresponding to that which was received by Chile after the earthquake.

Thank you very much.

Senator ANDERSON. Would that mean that instead of giving the grant of \$80 million, that we loan the money to Alaska.

Senator GRUENING. That might be a good idea; yes.

Senator ANDERSON. I do not think the Alaskan people would like that. Those I talked to, they were pretty happy. Ask the attorney general who represents the Governor. But nobody has represented to me that they would prefer to have a loan instead of a grant of some \$80 million.

Senator GRUENING. I am talking about the bonds which the Federal Government is going to buy from Alaska and if those are to bear interest at 3 to 4 percent, I think we could have more generous terms, based on the Chilean precedent.

I have no further questions.

Senator ANDERSON. Senator Allott?

Senator ALLOTT. I have just one question at this time. I will have several later. I notice that you have an open end authorization in this bill. Do you believe that this bill justifies an open end authorization?

Mr. SEIDMAN. The open end authorization, Senator Allott, just covers relatively minor amounts. It would cover the cost of the Alaska Reconstruction Commission—you will note that there are limitations on funding under each of the provisions where they would be applicable. For example, in section 2 on highways, the limitation is \$15 million. On loan readjustments, this would not involve any new appropriations. We cannot estimate what the amount of that might be. In the section on urban renewal there is the limit on new contract authority of \$25 million specifically set forth. On the modification of civil works projects there is a net cost included here of \$10 million, and, of course, the purchase of State bonds is limited to \$25 million. So there is specific limiting language in each of the sections, and the general authorization would apply basically only to the cost of the Alaska Reconstruction Commission.

Senator ALLOTT. We do not have the time to go into this matter here, but, for example, section 55, where it says an estimated cost of \$10 million, this is not a limitation of authorization.

I would like to ask, Mr. Chairman, that we—I know we want to give this careful consideration, and our people in Alaska deserve it. I wonder if in the next session on this bill we could have before us in a composite form by the Director of the Budget or whoever is going to do it a statement as to what has been done and what is contemplated so that we can look at it all together and then analyze each thing. Much of what is going to happen in Alaska depends upon regulations to be promulgated here by one or more of the agencies. So we really have no basis here so far as to what we are actually doing. Are we, for the most part, retroactively completely insuring the losses or not? This is a question that I want to go into, and how much are the people able or willing to bear up there?

Senator ANDERSON. In that connection, before you answer, I wonder if I could put into the record my reply to one of these mayors. I wrote them all about the same day. I think if I would read that you might get an idea of what the problem is. I won't read the telegram from Kodiak, but the mayor of Kodiak says the 75-25 basis would make it impossible for their community to rebuild the downtown business district which was almost totally destroyed.

Urgent. Request you work for 90-10 ratio so we may proceed with the rebuilding.

I answered as follows:

I am not sure how a telegram like that should be answered. You doubtless are familiar with the fact that the urban renewal program prepared for Alaska grew to some fantastic figures—a total of \$69,580,673.

I just want to stop and say I have a table here which shows this whole story and in the city of Anchorage, a city of 45,000, maybe 50,000 people, they put in a figure of \$24 million to buy the land that they say is necessary to be retired. But the fee to the planner-surveyor is \$719,000 in downtown Anchorage, \$300,000 for the Turnagain Area No. 1, in which the total real estate is only \$380,000. In other words,

the planner gets as much money as all the owners of the property, and the planners are going to get \$2,134,000 out of the program, and that is why the program has been changed to a 75-25 percent basis, I am quite sure, because if the program gets that far out of line, it becomes a little dangerous. Total Federal grants on a 90-percent basis would still be \$53,145,305, but on the 75-percent basis as they outline in the city of Anchorage it will run \$44,262,652.

I think almost anyone would have concluded these figures were too high and that people could not justify the spending of any such sums. Your community of Kodiak is a community of less than 5,000 people, and yet the total project expenditures for urban renewal run \$9,280,083, and on a 90-percent basis the Federal Government would be putting up \$7,404,240. It seemed apparent that unless the people of the Alaskan communities are asked to put up a fair share of the money themselves, they would advocate programs all out of reason, and it was, therefore, decided that the President's message submitting the bill would carry a 75-25 percent formula. It is not required, of course, that the city of Kodiak put up the 25 percent. The State of Alaska has approved a \$50 million bond issue, and we are not sure how it intends to dispose of that sum of money.

When the representative of the State of Alaska appears this morning, I hope he will tell us what the plans now are of disposing of this \$50 million. The State of Alaska approved this bond issue.

Therefore, it might not be out of order if it contributed 15 percent of the urban renewal cost and the city of Kodiak put up 10 percent. Your telegram indicates it is impossible for your community to proceed with the rebuilding of your downtown business district unless it is done on a 90-10 matching ratio. In view of the bill submitted by the President, I would think this would delay, if not prevent, urban renewal projects. You realize that the amount of Federal money listed in the President's message was a huge sum, and the President pointed out that the Federal Government is planning to spend over \$275 million in Alaska in the course of the reconstruction program. In reality we found that the sum might be even substantially more, and in the statement which I released on May 28 we estimated that Federal assistance to Alaska homeowners, businessmen, and local and State governments for earthquake recovery is calculated to range between \$236 and \$337 million. In addition the Federal Government will spend about \$76 million on reconstruction of Federal facilities and on operating Federal disaster-related programs.

I think a program that runs from \$310 to \$410 million is a rather large program. And when it is proposed that millions more be added so that urban renewal can be done on a basis of 5 percent to the community, 5 percent to the State, and 90 percent to the Federal Government, it may cause some members of Congress to become alarmed.

I think that is what started all the difficulty in this situation. I will put one of the letters in the record.

(The document referred to follows:)

U.S. SENATE, June 1, 1964.

HON. PETER DEVEAU,
Mayor of Kodiak, Alaska.

DEAR MAYOR DEVEAU: I have your telegram reading:

"Understand Alaska omnibus bill does not contain provision for 90-10 matching ratio for disaster urban renewal projects. This will make it impossible for our community to proceed with rebuilding our downtown business district which was almost totally destroyed. Urgently request you work for 90-10 matching ratio so we may proceed with the rebuilding."

I am not sure how a telegram like this should be answered. You doubtless are familiar with the fact that the urban renewal program prepared for Alaska grew to some fantastic figures—a total of \$69,530,673. From that were to be deducted proceeds from the sale of project land and things of that nature. But the total Federal grant on a 90-percent basis was \$53,145,305 and on a 75-percent basis was still \$44,262,652.

I think almost anyone would have concluded that these figures were too high and that people could not justify the spending of any such sums on urban renewal.

Your community of Kodiak is a community of less than 5,000 people and yet the total project expenditures ran \$9,280,083 and on a 90-percent basis, the Federal Government would be putting up \$7,404,240. It seemed apparent that unless the people of the Alaskan communities are asked to put up a fair share of the money themselves, they would advocate programs all out of reason and it was, therefore, decided that the President's message submitting the bill would carry a 75-25 percent formula.

It is not required, of course, that the city of Kodiak put up the 25 percent. The State of Alaska has approved a \$50-million bond issue and we are not sure how it intends to dispose of that sum of money but it ought to be spending some of it in the rebuilding of Alaska. Therefore, it might not be out of order if it contributed 15 percent of the urban renewal cost and the city of Kodiak put up 10 percent.

Your telegram indicates that it is impossible for your community to proceed with the rebuilding of your downtown business district unless it is done on a 90-10 matching ratio. In view of the bill submitted by the President, I would think this would delay, if not prevent, your urban renewal projects. Your realize that the amount of Federal money listed in the President's message was a huge sum and the President pointed out that the Federal Government is planning to spend over \$275 million in Alaska in the course of the reconstruction program. In reality, we found that the sum might be even substantially more and in the statement which I released on May 23, we estimated that Federal assistance to Alaska homeowners, businessmen, and local and State governments for earthquake recovery is calculated to range between \$236 and \$337 million. In addition, the Federal Government will spend about \$76 million on reconstruction of Federal facilities and on operating Federal disaster related programs.

I think a program that runs from \$310 to \$410 million is a rather large program. And when it is proposed that millions more be added so that urban renewal can be done on a basis of 5 percent to the community, 5 percent to the State and 90 percent to the Federal Government, it may cause some Members of Congress to become alarmed.

Sincerely yours,

CLINTON P. ANDERSON, *Chairman.*

Senator ANDERSON. I think the people of Alaska would recognize that these plans were pretty elaborate. I saw the plans that Mr. Brademas has drawn for some of the areas. I know nothing of Mr. Brademas. I know he is a brother of the Indiana Congressman and probably is a very good man, but he has beautiful pictures. No community would want to do that, I think. In Anchorage they have arcades where you can walk under cover. This is hardly the way buildings are ordinarily done in Alaska and when I talked to people in Anchorage, they assured me they would never stand for cutting off a Federal building and making a park all around the town. This is in the figure for Anchorage which runs for Anchorage alone \$36 million for urban renewal. The Office of Emergency Planning is going to spend \$80 million. If we take the highways in the State of Ohio where we have had floods, the disaster loan provisions prevail, and the State of Ohio put up 50 percent of the money under repairs, 50 percent of the money, and the Federal Government put up 50 percent. In the case of Alaska instead of requiring them to put up 50 percent of the money, we are letting them put up 5.1 percent and the Federal Government 94.9 percent on a \$65 million program.

I picked up this morning a copy of a paper from my hometown where it says half the town of Maxwell was wiped out. One person killed. They tried to find out if any disaster money is available to them. It isn't. They do not qualify. But when you talk about putting \$69 million in urban renewal in 5 Alaska communities, only one of them over 5,000 people, and that is 45,000 people, you realize the extent to which this program is going.

(Senator Anderson subsequently submitted the following letter:)

U.S. SENATE, June 12, 1964.

Mr. T. BROOKS BRADEMAs,
President, Director of Planning,
City Planning Associates, Inc.,
Mishawaka, Ind.

DEAR MR. BRADEMAs: I understand there have been questions raised as to comments I have made in and outside of meetings of the Federal Reconstruction and Development Planning Commission for Alaska, concerning urban renewal and the plans that have been prepared for it. My attention has been particularly called to page 29 of the transcript for Wednesday, June 3, 1964, in which I said that the plans are pretty elaborate and that I have seen the plans to be drawn for some of the areas.

I then went on to say that in Anchorage they have arcades where you can walk under cover, and that this is hardly the way buildings are ordinarily completed in Alaska.

There was, in my mind, no connection between the plans which your firm has drawn for Seward and Valdez and the plans which are prepared by another firm for Anchorage, which included arcades. I knew that your firm had not designed the arcades for Anchorage, but my language which I used in the hearing did not make that clear. I have no intention of criticizing your firm for what another firm has done. I have felt and still feel that the work of your firm has been good, even though I question some of the things now planned for the old area of Valdez.

This letter is written purely to correct the record as far as I am concerned and to assure you that I, as Chairman, appreciate, and I believe other members of the Commission appreciate the effort you and your firm are now making to keep the cost of urban renewal in the disaster area of Alaska at a reasonable figure.

Sincerely yours,

CLINTON P. ANDERSON.

Senator GRUENING. Mr. Chairman, I think it might be appropriate at this time to introduce in the record these various telegrams from the mayors.

Senator ANDERSON. I will put them all in. The mayor of Seward has sent one, and I replied to him and said—

Urban renewal for your city of Seward is \$6,566,183 and to put this on a 90-percent basis, a total Federal capital grant would be \$5,832,513. There were reports that fire broke out in Seward and, therefore, some of your losses might have been covered by fire insurance policies, but even so, the urban renewal proposal lists \$1,543,514 for real estate purchases and \$2,897,104 for project or site improvements. When you compare these figures to the population of Seward—

I will be happy to have the Senator from Alaska tell us what that population is—

you recognize that they are very high.

That is a pretty stiff load. In addition to that, the Federal Government has decided to rebuild the railroad down to Seward. It has offered to undertake at Federal cost the construction of a new terminal at Seward at a cost of \$7,800,000, and yet the town needs \$6 million for urban renewal. It is just hard to understand. I will have all the wires and letters go in if desired.

(The letters referred to follow:)

U.S. SENATE, June 2, 1964.

HON. PERRY R. STOCKTON,
Mayor of Seward, Seward, Alaska.

DEAR MAYOR STOCKTON: I have your telegram reading:

"City of Seward urgently requests change in Federal participation in urban renewal project for Seward work caused by disaster from 75 to 90 percent. City absolutely financially unable to raise 25 percent due to complete loss of industry. Greatly appreciate your fine efforts in our behalf."

I am not sure how a telegram like this should be answered. You doubtless are familiar with the fact that the urban renewal program prepared for Alaska grew to some fantastic figures—a total of \$69,580,673. From that were to be deducted proceeds from the sale of project land and things of that nature. But the total Federal grant on a 90-percent basis was \$53,145,305 and on a 75-percent basis was still \$44,262,652.

I think almost anyone would have concluded that those figures were too high and that people could not justify the spending of any such sums on urban renewal.

To show how large these figures run, the urban renewal for your community of Seward is \$6,566,183 and to put this on a 90-percent basis a total Federal capital grant would be \$5,832,513. There were reports that fire broke out in Seward, and, therefore, some of your losses might have been covered by the fire insurance policies, but even so, the urban renewal proposal lists \$1,543,514 for real estate purchases and \$2,897,104 for project or site improvements. When you compare these figures to the population of Seward, you recognize that they are very high and possibly the only way of bringing them into reasonable proportions would be to insist that Seward bear a part of the expense. We have proposed the rebuilding of the railroad to Seward and the construction of a terminal and dock at a Federal cost of \$7,800,000. A great many other expenses will be made at Seward and then to add \$6½ million for urban renewal seems like quite a burden.

I hope you will discuss this with your people because I have grave doubts that the Congress will want to go on a program of urban renewal as elaborate as is now planned unless there is a large participation by the State of Alaska or the city of Seward.

Sincerely yours,

CLINTON P. ANDERSON, *Chairman.*

U.S. SENATE, June 1, 1964.

HON. JOE YESENSKI,
Mayor Pro Tem,
Anchorage, Alaska.

DEAR MAYOR YESENSKI: I have your telegram reading:

"Review of city's financial situation indicates use of urban renewal process to reconstruct devastated areas of city extremely difficult under normal 75-25 formula. City council and administration urge serious consideration of 90-10 formula. Anchorage debt service already at maximum feasible limit, taking 25 percent of general fund operating revenue for next 2 fiscal years. Previous 6-year capital improvement program indicated serious difficulty meeting ordinary capital needs. Tax anticipation from renewal project is no help since restored slide areas probably will have to be used for parks or public space, and tax return will be much less than before disaster. Urban renewal appears to be the only method for redevelopment of slide areas. Local share of cost, however, will not be available for many years. The 90-10 formula would minimize burden on Alaskan cities if State assumes 10 percent of cost as now planned."

I am not sure how a telegram like this should be answered. You doubtless are familiar with the fact that the urban renewal program prepared for Alaska grew to some fantastic figures—a total of \$69,580,673. From that were to be deducted proceeds from the sale of project land and things of that nature. But the total Federal grant on a 90-percent basis was \$53,145,305 and on a 75-percent basis was still \$44,262,652.

I think almost anyone would have concluded that these figures were too high and that people could not justify the spending of any such sums on urban renewal.

Your community of Anchorage was listed on the urban renewal sheet for \$44,495,357 of the \$69,580,673. Even after the credits on a 90-percent basis, it was scheduled to receive from the Federal Government \$32,864,189 and on the 75-percent basis it came to nearly \$28 million. I need not tell you that that scared a great many people and made them think that the city of Anchorage was pretty free with Federal money.

If Anchorage alone was putting up the money, do you think it would have allotted \$28,048,420 for real estate purchases in the Anchorage downtown area or \$380,000 for Turnagain Area No. 1 or \$4,500,000 for Turnagain Area No. 2? I have grave doubts if it would and I think a great disservice will be done to the people of Alaska and particularly to the people of Anchorage if you do not bring these programs down to reasonable levels and reasonable costs.

Your telegram says that the 90-10 formula would minimize the burden on Alaskan cities if the State assumes 10 percent of the cost as now planned. I agree with you; it would not only minimize it, it would completely absorb it and the city of Anchorage would have a chance to get its \$32 million for urban renewal without putting up a penny. I know many public buildings were destroyed in Anchorage but many public buildings remain in good shape. I cannot see why the entire community should avoid making any contribution to restoration and should expect the Federal Government to take 90 percent of it and then buy the bonds at low interest rates from which the remainder is to be financed.

It would be very helpful, I think, if the people in Anchorage would take a good look at this matter and see if they really believe that the treatment they are favoring is fair and just to the rest of the country.

Sincerely yours,

CLINTON P. ANDERSON, *Chairman.*

U.S. SENATE, June 2, 1964.

HON. BRUCE WOODFORD,
Mayor, City of Valdez, Alaska.

DEAR MAYOR WOODFORD: I have your telegram reading:

"We urge your support for 90 percent Federal urban renewal matching funds for disaster-torn Alaska cities. Valdez has been left with the necessity of increased expenditures and virtually no tax base. Difficult even with State aid to raise 10 percent of urban renewal project cost, 25 percent would be almost impossible."

I am not sure how a telegram like this should be answered. You doubtless are familiar with the fact that the urban renewal program prepared for Alaska grew to some fantastic figures—a total of \$69,580,673. From that were to be deducted proceeds from the sale of project land and things of that nature. But the total Federal grant on a 90-percent basis was \$53,145,305 and on a 75-percent basis was still \$44,262,652.

I think almost anyone would have concluded that these figures were too high and that people could not justify the spending of any such sums on urban renewal.

Take your own city of Valdez where you have two projects—the first, to improve the existing location, and the second, to improve the Mineral Creek site. There was listed in the urban renewal proposal \$1,800,000 for the purchase of real estate in the existing town and \$500,000 to buy land in the new site. Included in the figures are also \$500,000 for site clearance and \$500,000 for site improvements at the existing site and \$750,000 for project or site improvements at the new location. I just cannot find it possible to believe that these are not heavily inflated figures and the only way we will ever find out whether or not they are inflated is by suggesting that the Alaskan communities bear the same proportion of cost for urban renewal that the remainder of the United States must bear.

The statement in your telegram that "25 percent would be almost impossible" would seem to indicate that you are willing to take the work as a gift but would not take it if you have to pay one-fourth of it and that, it seems to me, is a rather severe indictment of the program.

We have been suggesting that someone make an examination of the new location to see how much it would take to grade in a few streets for the limited number of houses that Valdez ordinarily has and that perhaps some of the existing houses can be removed from the danger area to the new site at a minimum of cost. Certainly, it would be difficult to justify spending \$3,800,000 for urban renewal at Valdez and several million more for a new dock if the population were to remain at the existing level. We hope you will take another look at bids.

Sincerely yours,

CLINTON P. ANDERSON, *Chairman.*

Senator GRUENING. Mr. Chairman, this renewal is replacement of communities almost totally destroyed. Now, here the mayor of Valdez wires:

We urge your support for 90-percent Federal urban renewal matching funds for disaster-torn Alaska cities. Valdez has been left with the necessity for increased expenditures and virtually no tax base. Difficult even with State aid to raise 10 percent of urban renewal project cost, 25 percent would be almost impossible.

Now, you have a city in which the business district has been totally destroyed as it has in Kodiak, almost totally in others. So urban renewal in the accepted sense does not apply there. This is a very different type of project. We are in this situation restoring something that is gone. It is not just ordinary urban renewal of the kind we have in our cities not struck by disaster.

Senator ANDERSON. I would like to comment on Valdez because that is a very interesting situation. But the urban renewal figures for Valdez. [Reading:]

Take your own city of Valdez where you have two projects: The first, to improve the existing location and the second, to improve the Mineral Creek site. There was listed in the urban renewal proposal \$1,800,000 for the purchase of real estate in the existing town and \$500,000 to buy land in the new site—

Of course, we had testimony that the new site was going to be given, but it has not been.

Included in the figures are also \$500,000 for site clearance and \$500,000 for site improvements at the existing sites and \$750,000 for project or site improvements at the new location.

Now, here is a community I do not think had a thousand people in it—600 or 700 is probably a more accurate figure—and the urban renewal figure is a total of \$5,400,000 in a town of way less than a thousand people with a hundred houses. Now, we propose that maybe they ought to take a look at the new location and put in a couple of roads, and let the Office of Emergency Planning put down all facilities which it will do without charge for every community. It will grade the streets and lay water mains without charge to the community. Yet they have a \$6 million figure for urban renewal. And it is pretty—\$5.5 million—it is pretty hard to understand.

Senator BIBLE. Might I ask just one question for the record, Mr. Chairman? I am wondering if you could supply for the record, Mr. Seidman, what period you use as the time when construction begins in Alaska and when it ends. Are we talking about a 5-month period of time, and how much of that time has already commenced? There is urgency in this. I recognize that. And I am wondering what period of time you were talking about.

Mr. SEIDMAN. I think it is approximately from May to October, but Mr. Ink has just been to Alaska.

Mr. INK. Yes. It, of course, varies with the weather conditions, but the construction season for all practical purposes will end in October.

Senator BIBLE. October 1 or October 31?

Mr. INK. No. More toward the end of October.

Senator BIBLE. Then we are actually talking about June, July, August, September, October. We are talking about 5 months at the most. Is this correct?

Mr. INK. Four to five months, I would say.

Senator BIBLE. Taking it from today.

Mr. INK. Yes. I should point out that part of this construction season, of course, is in many of these areas utilized in part through the completion of the soil studies that are necessary to determine geological conditions and the design of facilities that are required. So that the amount of time which can actually be devoted to the construction of the facilities is not as great as one might suspect. So they

do have a very difficult time period, and I would say that the provision here which relates to the harbor facilities, modification of the Corps of Engineers project, is particularly critical in that, in order to get the design completed and substantial construction underway this season, early, very early passage would be necessary. And this, of course, is vital to several of these communities because of the key importance of fishing to the economy of these towns, particularly in several of the small towns such as Kodiak and Valdez. Their recovery is heavily dependent upon the early passage of this legislation.

Senator BIBLE. Thank you, and thank you, Mr. Chairman, I wanted to get that in the record.

Senator ANDERSON. We will be right back.

(Whereupon, a short recess was taken after which the hearing was resumed.)

Senator ANDERSON. Just as we agreed to take a temporary recess for quorum call, there was some question about what had been done in Alaska, and I think it might be well to put in the record at this time the press release of May 28 which I have here showing these expenditures by categories, and how much we have provided in various ways, loans and various other things, and without objection the entire statement will go in the record at this point.

(The document referred to is as follows:)

STATEMENT OF SENATOR CLINTON P. ANDERSON, DEMOCRAT, OF NEW MEXICO,
CHAIRMAN, FEDERAL RECONSTRUCTION AND DEVELOPMENT PLANNING COMMISSION
FOR ALASKA

Federal assistance to Alaska homeowners, businessmen and local and State governments for earthquake recovery is estimated to range between \$236 and \$337 million. Part of these funds are contingent on congressional approval.

In addition, the Federal Government will spend about \$76 million on reconstruction of damaged Federal facilities and on the cost of operating Federal disaster-related programs. These funds will have an impact on the private economy of Alaska.

All of these funds are in addition to Federal expenditures which would have gone to the State and for normal Federal programs in Alaska had there been no disaster.

1. Federal aids to private individuals and groups

Three major types of direct Federal assistance to private individuals and groups have been authorized or proposed. The total amount of such assistance is difficult to pin down exactly in dollar terms because it depends primarily on the number of eligible applications received, but according to current estimates it could range in total from \$56 to \$101 million.

First, several Federal agencies will make loans on very favorable terms to help refinance business and homeowners who suffered losses in the disaster. It is now estimated that these loans in total will amount to between \$30 and \$60 million. The bulk of the funds will be provided by the Small Business Administration; in addition, the Bureau of Commercial Fisheries in the Department of the Interior has received broader authority to make needed loans to the commercial fishing industry, and the Rural Electrification Administration and the Farmers Home Administration are also actively providing special assistance in their areas of responsibility.

Most of the loans made will be at an interest rate of 3 percent. This is substantially below the cost to the Federal Government for the money it is making available as loans. It is also considerably below interest rates Alaskan borrowers must pay in the private market if they could qualify for private loans. Interest rates in Alaska are commonly in the neighborhood of 7 and 8 percent on private loans. As a case of how an SBA disaster loan is a real aid:

"A homeowner who replaces his destroyed home by borrowing \$30,000 from SBA at 3 percent interest for 30 years will pay \$48 less each month, or \$17,300

less over the term of the loan than he would have paid with an FHA-insured loan for 30 years, bearing the normal 5¾ percent interest and premium charges."

Second, all Federal agencies operating in Alaska either have or would obtain authority under currently proposed legislation to relieve owners of earthquake-damaged property of the major portion of their outstanding obligations to the Federal Government. The potential forgiveness on such outstanding loans is currently estimated at \$6 million—the largest portion of it for REA facilities.

Third, tax refunds for losses related to the earthquake to be paid out by Internal Revenue Service are estimated to range between \$20 and \$35 million. By extending the period during which taxpayers may file amended returns in 1964, the Internal Revenue is making it possible for all Alaskans who suffered disaster losses on March 27 and in subsequent tidal destruction to apply for immediate tax refunds against tax payments made over the past 3 years, or for tax credits against earnings in the next 5 years.

Apart from the various direct forms of assistance in the private sector, an incalculable amount of indirect assistance is being given Alaskans by the Federal Government in the form of community facilities, reconstruction, urban renewal, etc. By rebuilding vital transportation facilities, such as the Alaska Railroad, air and seaports, docks, roads, bridges, utility lines, etc., the Government is making possible the regrowth and renewal of communities which, were they not being so assisted, might never be able to recover from the effects of the earthquake.

2. Federal aids to State and local governments in Alaska

Between \$181 and \$236 million in Federal aid is now available to the State of Alaska and to the local governments in the disaster areas, or is anticipated will become available under proposed appropriations and pending legislation. Of this total \$50 million can be financed from funds already available and the remainder will require new appropriations or other obligations authority.

Disaster relief funds already appropriated to the President to be administered by the Office of Emergency Planning include approximately \$60 million which is available for restoration of public facilities in Alaska. Another \$20 million has been requested for fiscal 1965 which will be available for Alaska and for other possible disaster areas designated in that year.

New transitional grants of \$23.5 million have been authorized by the Congress; appropriations of \$17 million of these funds has already been requested. New legislation sent up yesterday by the President and being introduced in Congress today will authorize several other types of assistance to State and local governments, including:

(a) Authorization for the HHFA to make urban renewal capital grants specifically for use in the earthquake disaster areas. These grants may amount to as much as \$44 million, of which \$25 million would be specifically authorized in the pending legislation.

(b) Authorization for the Housing and Home Finance Agency to purchase up to \$25 million in State obligations (Alaska bond issue) to help finance earthquake-related requirements of the State.

(c) Liberalization of the formula for disaster aids to Alaska highways, and provision of funds for replacement of damaged highways and bridges involving a total Federal cost estimated at between \$54 and \$63 million.

The components of this are aid to highways within the national forests, the present 50-50 matching formula for disaster aid to rebuild public roads, and the proposed increase to lift this Federal share to 94.9 percent, a special aid to Alaska. The roads affected by the earthquake will be rebuilt to modern standards consistent with needs.

3. Restoration of Federal facilities and direct Federal operations

The cost of restoring Federal facilities and the additional cost of operating Federal programs in Alaska to help meet earthquake-caused problems are estimated at over \$76 million. Approximately \$40 million is available from existing funds, leaving the remainder to be requested as new obligational authority. The largest single item is the sum of \$35.6 million representing expenditures by the Defense Department primarily to restore damaged installations at Fort Richardson, Elmendorf Air Force Base, and Kodiak Naval Station. A second major item is \$27 million for the restoration of the Alaska Railroad. Additionally, 15 other Federal agencies and bureaus are expected to expend approximately \$13.6 million.

Senator ANDERSON. Senator Jackson, do you have some questions?

Senator JACKSON. Yes. Mr. Seidman, I would like to turn to assistance for the private sector of the Alaskan economy for a moment.

Referring now to the homes that were destroyed in the earthquake, what percentage would come under the Farmers Home Administration, what percentage under the Veterans' Administration, and what percentage would be completely in the form of private loans of FHA-guaranteed loans, if you have those figures?

Mr. SEIDMAN. I do not know whether—I would like to ask my colleague, if he has such figures available.

Senator JACKSON. Or could you give me dollar figures.

Mr. SEIDMAN. In my statement, I indicated there were 82 loans by the Farmers Home Administration.

Senator JACKSON. Out of how many homes destroyed? Do we have that figure? 300?

Mr. SEIDMAN. Pardon me just a minute.

Senator JACKSON. Yes.

Mr. SEIDMAN. We do not have it. Could I send that in for the record? I do not have available the actual breakdown by categories—how many VA, how many Farmers Home Administration.

Senator JACKSON. You see, what I am desirous of obtaining is just how much relief can be granted through forgiveness on direct Veterans' Administration loans and on the Farmers Home Administration loans and then see where we end up when we add this all up.

Senator ANDERSON. We do have a record on Farmers Home. I am just quoting from memory now. They had something like 78 loans on farms in the area; three of the farms covered were destroyed, and several others were damaged. They were very fortunate. There was very small loss in the Farmers Home Administration.

Mr. SCHNOOR. The Veterans' Administration losses were also only in the neighborhood of \$40,000 or \$60,000, as I recall it.

Senator JACKSON. Total loss.

Mr. SCHNOOR. Total major damage.

Senator JACKSON. That is, the loss is about \$40,000. Let's see. I think in your statement you have—it is estimated about 82 loans were made by the Farmers Home Administration in this area—that is found on page 6—in this area, averaging \$18,000 each.

Senator ANDERSON. Those figures also cover the farms. They do not cover just the farm houses.

Senator JACKSON. Yes. That is the whole business. Well, how many homes were destroyed?

Mr. SEIDMAN. I have a figure here for the Farmers Home Administration, just given me. It is estimated the damage to houses under Farmers Home Administration and rural loan program will amount to \$300,000, and this amount would be charged off if the proposed legislation is enacted.

Senator JACKSON. \$300,000 in loans—

Mr. SEIDMAN. Yes.

Senator JACKSON (continuing). That were outstanding in which the houses were totally destroyed.

Mr. SEIDMAN. Well, I have here—

Senator JACKSON. Partial or total?

Mr. SEIDMAN (continuing). Of the 82 housing loans, 35 of these houses have been damaged in varying degrees from complete to minor damage. The reports show that two houses in Valdez were completely destroyed and three others severely damaged. So 35 out of the 82 were damaged in varying degrees.

Senator JACKSON. Now, do you have a figure as to the number of private homes destroyed?

Mr. INK. We have a total of about 1,300 properties that were damaged in selected urban renewal areas. I will have to check here to see if I have a figure on private homes.

Senator ANDERSON. Of which 946 were damaged.

Mr. INK. These homes are seriously damaged or nonrepairable.

Senator ANDERSON. If my memory serves me, 27 percent had less than 20 percent damage, 30 percent had between 20 and 60 percent damage, and 42 percent sustained in excess of that.

Mr. INK. Yes. Now, Senator, in that respect, we were in Alaska last week, and in some of those homes it appears that the amount required to repair the house will be somewhat less, in some cases substantially less, than the preliminary reports on assessed damage would indicate. We are drawing together some additional estimates on damage figures this week.

Senator JACKSON. There are 35 damaged homes under the Farmers Home Administration. How many are involved in direct loans?

Mr. SCHNOOR. The VA had 15 homes with major damage, totaling \$41,712. And 112 homes with minor damage, totaling \$17,628.

Senator JACKSON. What I am getting at is that out of this 946 that are seriously damaged, a portion of them will get assistance through the forgiveness under the Farmers Home Administration program and under the direct VA program; right?

Mr. SEIDMAN. That is correct.

Senator JACKSON. There are 35 covered by Farmers Home; with the 15 VA ones, we have a total of about 50. Now, into what category did the balance fall? Some of them, of course, did not have any indebtedness. What category or what portion of the remainder were private loans insured by the Federal Housing Administration as distinguished from the Farmers Home Administration?

Mr. SEIDMAN. A number of them were FHA insured. Of course there were a number of others with conventional mortgages not insured by the Federal Housing Administration. As I said, I do not think we have a complete breakdown here. We can try to get that for you.

(The information requested is as follows:)

FEDERAL RECONSTRUCTION AND
DEVELOPMENT PLANNING COMMISSION FOR ALASKA,
Washington, June 12, 1964.

HON. HENRY M. JACKSON,
Chairman, Committee on Interior and Insular Affairs,
U.S. Senate, Washington, D.C.

DEAR SENATOR JACKSON: During the recent hearings on S. 2881, a bill to amend the Alaska Omnibus Act to provide assistance to the State of Alaska for the reconstruction of areas damaged by the earthquake of March 1964 and subsequent seismic waves, and for other purposes, before your committee, we were requested to furnish information on (1) the number of properties damaged in the disaster area of Alaska; (2) the amount of damage in dollars; (3) the mortgage loans on damaged homes held by Federal agencies; and (4) the percentage of FHA-insured residential properties that were damaged.

Enclosed is a table entitled "Private Real Property Damage Sustained in Earthquake Affected Areas of Alaska." This table sets forth the total damage estimates obtained from a property damage survey conducted by the Alaska State Housing Authority. This survey covered all real private properties which sustained earthquake losses of more than \$1,000 per property. The total damage figure of \$62.8 million compares very closely with the estimate of \$64.1 million previously furnished the Commission. The difference is attributable to greater precision obtained from a "rerun" of available damage information sheets covering individual properties in the five most severely stricken areas of Anchorage, Kodiak, Seward, and Valdez. There is no "contingency" estimate for damage, as contained in earlier estimates. The earlier estimates contained a "contingency" factor of 20 percent. This included such factors as (1) inability of the appraisers to obtain complete coverage of all real private property during the approximately 1-week survey period; (2) possible overlooking of damage not immediately discernible during the inspection; (3) possible additional deterioration of structures during an interim period when they were not weathertight; and (4) possible additional damage which would evidence itself during the spring thaw; e.g., damaged sewer and water connections and additional settling and movement of the structure.

Also, there is enclosed a table entitled "Mortgage Loans on Damaged Home Properties Held by Federal Agencies."

The following table of damaged (in excess of \$1,000) and destroyed one- to four-family properties indicates the percentage of such properties that are FHA insured:

Area	All individually reported damaged and destroyed properties	FHA-insured 1- to 4-family damaged and destroyed properties	FHA as a percent of total
City of Anchorage and environs.....	1,186	709	60
City of Kodiak.....	36	1	3
Kenai Peninsula:			
City of Seward.....	73	19	26
Rest of peninsula.....	97	0	0
Prince William Sound area:			
City of Valdez.....	102	14	14
Rest of sound area.....	5	0	0

The material in these tables has been assembled by HHFA. A copy of this letter and enclosures are being submitted to Senator Gruening and Senator Bartlett at their request.

Sincerely yours,

DWIGHT A. INK, *Executive Director.*

ENCLOSURES

Private real property damage sustained in earthquake-affected areas of Alaska

[Damage amounts in thousands of dollars]

Area of locality	Number of properties with damage over \$1,000	Dollar damage
Greater Anchorage Borough:		
Downtown area of Anchorage City.....	242	\$11,716
Turnagain area of Anchorage City.....	670	12,905
Rest of city.....	320	9,678
City, total.....	1,232	34,299
School district, outside city.....	146	1,103
Portage.....	20	262
Girdwood.....	7	122
Eagle River-Chugiak.....	13	555
Basher.....	3	35
Private utilities.....	3	3,656
Subtotal.....	192	5,233
Total.....	1,424	39,532
Kodiak Island Borough:		
City, downtown.....	110	2,286
City, remainder and vicinity.....	13	2,286
Rest of borough.....	132	5,686
Private utilities.....	1	482
Total.....	256	8,670
Kenai Peninsula Borough:		
City of Seward.....	110	4,543
Homer.....	52	1,113
Hope.....	23	233
Kenai.....	7	62
Sildovia.....	93	1,040
Soldotna.....	5	18
Other.....	10	385
Total.....	300	7,394
Prince William Sound area:		
City of Valdez.....	237	2,911
Cordova and vicinity.....	85	683
Whittier.....	4	2,396
Canneries (all of sound area).....	17	1,019
Total.....	343	7,009
Glenn and Richardson Highway areas.....	8	86
Matanuska-Susitna Borough.....	27	117
Grand total.....	2,398	62,808

Source: Property damage survey, Alaska State Housing Authority, April 1964.

Mortgage loans on damaged home properties held by Federal agencies

Loans held by VA:

113 on properties sustaining minor damage in aggregate amount of-----	\$17, 253
14 on properties sustaining major damage in aggregate amount of-----	37, 160

Loans held by FNMA:

On 1 to 4 family properties:

34 on properties that were destroyed or irreparably damaged, with aggregate outstanding mortgage amount of---	605, 000
11 on properties that suffered major damage, with aggregate outstanding mortgage amount of-----	198, 000
63 on properties that suffered minor damage, with aggregate outstanding mortgage amount of-----	937, 000

On multifamily properties:

2 on properties with major damage, which were assigned to FHA, with aggregate mortgage amount of-----	1, 175, 000
1 on property with estimated damage of-----	85, 000
1 on property with estimated damage of-----	15, 000-30, 000
1 on property with estimated damage of-----	10, 000-20, 000
1 on property with estimated damage of-----	(¹)

Loans held by Farmers Home Administration on 35 homes with estimated aggregate damage of-----	300, 000
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¹ Less than \$500.

Source: VA, FNMA, and Farmers Home Administration.

Senator ANDERSON. Perhaps one answer might be helpful. The Bureau of Internal Revenue has been pointing out that you can carry back these payments of taxes for several years and carry them ahead several years, so those people who had homes that are paid for, who are in the high-income tax brackets, will be able to get some very substantial relief over a period of time.

Mr. INK. Senator, with respect to the figures we were talking about a moment ago, I would guess, based upon the properties that we visited last week, that quite a number of these which were initially thought to be not repairable are repairable.

Senator JACKSON. Well, what I am getting at here, of course, is the person who had a direct loan, either Farmers Home Administration or Veterans' Administration loan, they are given direct assistance through the forgiveness route; right?

Mr. SEIDMAN. It is not forgiveness in all cases. Forgiveness is authorized, but the administrative agency can compromise and adjust. Actions will depend on the circumstances. I do not want to anticipate your question, Senator Jackson, but there are going to be certain individuals who are not covered under the existing programs because they have not borrowed from a Federal agency or are not FHA insured. The Small Business Administration is extending the maturity on its loans for homes to 30 years, partly for the purpose of assisting individuals in this situation. It is contemplated that the Small Business Administration will refinance part of the loss of that individual and pick that up in the loan. This is rather an unprecedented action that SBA is taking, but Mr. Foley has indicated they are prepared to do this depending on the circumstances of the case. So they would be able to get a 3-percent loan from the Small Business Administration if the legislation is enacted with a 30-year maturity which would enable them to partly refinance the loss and spread it out over the 30-year period.

Senator JACKSON. How do we distinguish, though, logically here between the homeowner who has a conventional loan who gets no adjustments other than what any of them can get through a tax write-off and the homeowner who got a direct loan? I mean, what is the reasoning?

Let's take a fellow who has a Federal Housing Administration guaranteed loan. It is a private loan, but the FHA, again, because the other is Farmers Home Administration, I want to say the Federal Housing Administration has insured him. That fellow has no opportunity for any relief, but the fellow across the street who got a direct VA loan or a Farmers Home Administration loan, because it is direct from the Government, will get relief.

Now, this is what I want to get clear.

Mr. SEIDMAN. This is a difficult situation, of course. The Federal Government in its own programs is in a position to control what it does. We cannot control what private lenders or private financial institutions do. The intent, however, of these actions by the Federal Government is in part to set the pace and example for these private institutions. For example, in the housing area, the Federal National Mortgage Association and the Veterans' Administration will accept \$1,000 in total settlement of their interest. It is hoped that this will be emulated by some of the private financial institutions and that they, too, will follow the example of the Federal Government and settle for \$1,000 and that that would be picked up in the SBA loan.

So the Small Business Administration loan will be available to all people who require it in Alaska for new housing, regardless of whether they were previously financed by a Federal agency or by a private institution.

Senator JACKSON. Well, if it is done, I agree, but it does create a rather unique situation. The fellow who is the poorest credit risk gets the best relief. The direct loans would have gone primarily to those who cannot qualify for a private loan. This is my only point of real concern here. In the end the one who may have been improvident gets the thing written off, but the person who went through conventional sources has to repay his loan. How do we explain that?

Mr. SEIDMAN. Well, of course, there are two areas where he will be getting some assistance. One, as you indicated, Senator Jackson, through the casualty refund on his income tax. This may be quite substantial if he has a high equity in his home. He can write off this loss retroactively for 3 years at the higher rates.

Senator JACKSON. But it still won't be as much as the one who gets it all forgiven.

Mr. SEIDMAN. This is the problem. Of course, the one who has conventional financing or owns his own home is perhaps in a somewhat better financial condition, but there are gaps here. I think we are aware that what is proposed in this bill does not—and I do not think it conceivably could—cover every possible situation. We have similar situations in the other States today—disasters from floods, tornadoes—where the Federal Government does not even do what is done under this proposed program, and I am sure there will be individual hardship cases in Alaska. Some of these I think will be taken care of by the Red Cross and by the Governor's reconstruction fund, though I understand contributions to that have not been very high. These are

rather special cases and it would be very difficult to develop general legislation to deal with them.

Senator JACKSON. I would hope we could get a chart just in the private sector dealing first with loss of homes, what relief is being granted through the Federal agencies, and then any indication of what is happening through the private lending institutions. I think it would be a little——

Senator ANDERSON. I think we ought to explain we would like to have had that in the Commission, but unfortunately the banking business is a private business, and when we ask the banks for this information, they say it is a matter of concern to ourselves and our customers. When we ask about writing off a mortgage, they say how can you write off a mortgage when the fellow has \$250,000 worth of negotiable stocks? Why can't he pay? Then you are in a wholly different field. It is pretty difficult.

Senator JACKSON. Right. Well, of course, I am concerned here about getting the facts just where we stand on this because it does concern me that the person who is the poorest credit risk can end up getting the most relief. It would appear that those who obtained direct loans are not as good credit risks as the more thrifty persons, but the thrifty person may be hit just as hard. He is an industrious, hard worker, who saved his money. The bank says, "Sorry, you are not eligible for a direct loan. You will have to go the conventional route." Now, if he had a big mortgage and lost his home, it is pretty rough. I would like to see a breakdown on this if we could, Mr. Chairman.

Senator ANDERSON. Well, I want to say——

Senator JACKSON. To the extent that we can obtain it.

Senator ANDERSON. We have asked for it. While Mr. Ink was in Alaska this last weekend, he had further interest in trying to find out about it, and we are going to be able to get it, I think, on a statistical basis, that is, so many houses had so much mortgages against them. The banks will not give us the names of the persons who have the debts.

Senator JACKSON. Will the banks give a statement of policy? Have they indicated what their policy is going to be?

Senator ANDERSON. The Bank of Alaska does not own Alaska paper as compared to the Bowery Bank. The Bowery Bank in New York owns more paper than the Bank of Alaska. The question is, does the Bowery Savings Bank have disaster insurance? They do not care to answer that question. Some of us have been informed they do have disaster insurance, from Lloyds, of London. And if they wrote off this loss, they have a right to come back on their insured, but they have to make an individual deal with that insured first.

Senator JACKSON. I think it might help the picture here if we had this story, that is all. If they are getting relief, via a writeoff, compromise settlement route, it would be helpful if we were aware of that fact. That is all.

Mr. INK. Senator, we can provide information on damages, and I think that the amount of homes that are seriously damaged or destroyed will come down over even the more recent estimates that we have had. The Alaskan banks I think have been quite cooperative, but as Senator Anderson indicated, our problem is that most of the

paper is held by numerous banks outside of Alaska, and I think we can give you that only on a statistical basis. But I think that might be of some help to you.

Senator JACKSON. What about in the commercial area? The private commercial area as to the damage of the total of—what was it, \$74 million in the private sector?

Mr. SEIDMAN. \$77 million in the private sector. That is the coverage on real property.

Senator JACKSON. Approximately how much of that is commercial and how much residential?

Mr. INK. The latest figures that I have show in nonresidential properties, the damage which is—well, I think I had better supply that for the record because the figure is changing. We have had people in Alaska the last few days who indicate that it is coming down. I think I would rather supply that for the record if I might.

Senator JACKSON. If you would do that—

Mr. INK. There were some 311 properties, nonresidential properties, which suffered damage of some substantial nature.

Senator JACKSON. Say that again. I could not hear that.

Mr. INK. About 311 nonresidential properties as compared with 946 residential properties.

Senator JACKSON. So we are talking about 1,200 or 1,300 properties in the private sector.

Mr. INK. Yes. About that total.

Senator ANDERSON. I think we ought to have a statement by Mr. Hayes. I think we had better hear him next because in a few minutes we are up against the Senate rule against committees meeting while the Senate is in session. That is, unless there are additional questions.

Senator JORDAN. Mr. Chairman, I would just like to add a comment at this point to shore up the line of questioning that Senator Jackson is pursuing here. I think we need a composite picture here of the inventory of losses in commercial and residential areas of the private sector. We need to know the extent of the coverage of those losses covered by fire insurance or long-term forgiveness to know what the net irrecoverable from any other source is.

Then, too, there enters here an element of national policy. To what extent are we going to make whole those people who are well able to sustain the loss which might happen in Alaska or elsewhere?

Senator JACKSON. I agree.

Senator JORDAN. I think we need this composite table to clear up any misunderstandings.

Senator ANDERSON. May I state to the Senator from Idaho that a group of us were in Alaska more than a month ago. At that time an effort was made to get the losses lot by lot in each block that was damaged, the amount of the mortgage and to whom it was due, and I want to say for Mr. Ink and his associates they tried hard to get that very sort of information, but they could not get it. You can get the lot and the block number and who owns the house or building and what sort of property was there. When you say how much did you owe on it, the answer is that it is none of your business. And it is none of our business.

Mr. SEIDMAN. Senator, I want to clear up one point with respect to Senator Jordan's question before Mr. Hayes comes on. The intent of

this provision of the bill is not to provide 100 percent forgiveness on all these loans where there is damage. There is merely authorized adjustment and compromise based on the facts of each case. What it does do is put all these programs on the same footing. For example, it gives the Farmers Home Administration the same authority and flexibility to deal with disaster losses as the VA. What we are doing here is putting all the Federal programs on the same basis so we will have equity.

Senator JORDAN. I am glad to know that. I would like to see the same application across the board on all of the losses.

Senator ANDERSON. At this time I would like to put in the record a statement on the position of Federal agencies with respect to mortgages which was issued by the chairman on May 28. Also Senator Magnuson has a statement which he would like to put in the record this morning.

(The documents referred to are as follows:)

STATEMENT BY SENATOR CLINTON P. ANDERSON, DEMOCRAT OF NEW MEXICO, CHAIRMAN OF THE FEDERAL RECONSTRUCTION AND DEVELOPMENT PLANNING COMMISSION OF ALASKA

The Federal agencies which hold mortgages on homes in Alaska agreed on May 6 to accept a token \$1,000 payment from owners whose homes were totally destroyed or irreparably damaged by the earthquake. The way was then clear for these owners to refinance under very liberal terms and through Federal agencies a loan covering a new home and the token payment.

By the Federal Government taking the initiative on mortgages which it held, it was considered by the Federal Commission that private lending institutions might follow suit. While we did not expect that these institutions, which have an obligation to their stockholders, would simply write off the outstanding indebtedness by a blanket forgiveness, we did hope that they would act with speed on a case-by-case settlement.

Our information is that they are proceeding on an individual basis. My concern is with the pace of this effort. The Small Business Administration and other Federal agencies stand ready to make low-interest, long-term loans to affected individuals. But they cannot do so until the private mortgageholders resolve their end of this problem. The Federal Government quite obviously cannot—and it should not—compel action by the private mortgageholders. But it should be clear that the Government has been keeping faith with its responsibilities to the people in Alaska, and the Government is ready to aid those whose mortgages are privately held—but only to the extent made evident by existing law or by the provisions in legislation now before the Congress. This should be a matter for cooperative action by both the private and Government sides.

STATEMENT BY HON. WARREN G. MAGNUSON, A U.S. SENATOR FROM THE
STATE OF WASHINGTON

Mr. MAGNUSON. Mr. Chairman, the administration and the Congress have acted speedily in enacting legislation and appropriation measures to assist the people of Alaska to recover from the disastrous March 27 earthquake and subsequent seismic waves. These measures will help. However, without passage of the bill before you now, S. 2881 of which I am a cosponsor, that recovery will be jeopardized.

S. 2881 deals with vital areas more than merely touching the economic well-being of the State of Alaska. The provisions of the bill go to the very heart of the problem as we seek to find ways and means to restore functions of the communities crippled on Good Friday. Those provisions deal with small-boat harbor and other navigation problems, with roads, with marketing of the State's bonds or loans to the State, with urban renewal and with several Federal programs which we seek to liberalize to meet the needs.

There is an imperative requirement that we approve these provisions without delay because the construction season—all too short in Alaska—is at hand. Every day which passes without the authority contained in this bill carries with it a threat to the reconstruction effort.

Mr. Chairman, 6 years ago, lacking but a few days, the Senate was debating the merits of the Alaska statehood bill and on the final day of June in that year 1958 passed the measure and sent it to the White House. The advocates of the statehood movement—and certainly this committee which had jurisdiction over that measure—had a devotion to the cause for many reasons, principal among them being the desire to promote the economic growth of this great area of ours. Such growth did result. But that growth was dealt a devastating blow 68 days ago when the very economic heart of Alaska was bruised and damaged by a catastrophe of a kind greater than experienced anywhere in our country by forces outside our control.

I contend that what has already been done for Alaska and what we are seeking here with S. 2881 is the very least, not the maximum of what should be done. Expansion of the provisions of this bill may be desirable, and in one area particularly is imperative. I speak now to the matching provisions for urban renewal projects. Such projects will permit a relocation of homes and businesses and comprise a program which offers major assistance. Under existing law, the maximum matching is on a 75 Federal-25 local basis. Perhaps in some of the communities in the disaster areas the local share can be met but certainly this is not true in all of them. These communities have lost considerable sums in tax revenues and even if reimbursed through transitional grants voted by the Congress, the costs of local shares in urban renewal are far above revenues necessary for normal operations. I urge, therefore, that consideration be given by this committee to permit when necessary a 90-10 matching formula in connection with urban renewal projects. This is an area where a liberal approach is logical and should be taken.

Other liberalizing proposals may be advanced, and I know the committee will consider them in the light of the great need outstanding.

Senator ANDERSON. We may want to recall you, Mr. Seidman.

Mr. SEIDMAN. I will remain available.

Senator ANDERSON. Fine. Thank you.

I think we had better put in the record also the Table of Estimates of Renewal Disaster Projects as revised on May 20, 1964.

(The document referred to follows:)

Cost summary of Alaska urban renewal disaster projects (revised as of May 20, 1964)

Line No.	Description	Anchorage downtown area, R-20	Anchorage Turnagain Area No. 1, R-23	Anchorage Turnagain Area No. 2	Homer	Kodiak, R-19	Seldovia	Seward, R-21	Valdez existing site, R-22	Valdez Mineral Creek site, R-25	Total disaster projects
	FORM H-6220 PROJECT EXPENDITURES RUDGET										
1	Total survey and planning expenditures . . .	719,000	300,000	0	25,000	169,019	50,000	586,875	226,824	57,942	2,134,660
2a	Administrative overhead and services . . .	276,206	93,999	108,077	108,077	190,743	108,077	144,864	108,077	36,026	1,174,146
2b	Travel . . .	31,820	14,973	10,000	4,000	27,552	4,000	12,938	20,000	2,000	127,283
3	Office furniture and equipment . . .	11,850	3,275	2,800	2,800	27,395	2,800	2,290	2,800	1,400	32,410
4	Legal services . . .	103,475	22,237	65,000	4,000	71,229	4,000	48,983	50,000	2,000	370,924
5	Survey and planning . . .	42,810	9,372	23,301	23,301	42,810	23,301	35,676	23,301	46,074	269,946
6	Acquisition expenses . . .	725,102	23,724	220,000	30,000	277,877	30,000	144,044	140,696	9,500	1,600,943
7a	Temporary operation of acquired property . . .	(36,444)	0	30,000	5,000	70,053	5,000	56,783	5,000	0	134,392
7b	Real estate tax credits included in line 7a . . .	(51,211)	0	(5,000)	0	0	0	(3,281)	0	0	59,492
8	Relocation costs . . .	230,569	2,901	65,000	4,000	92,757	4,000	32,487	64,796	0	496,510
9	Site clearance . . .	2,172,857	1,385	500,000	1,000	122,304	1,000	1,154	500,000	0	3,299,700
10	Project or site improvements . . .	3,052,162	1,385	1,000,000	25,000	2,861,404	25,000	2,897,104	500,000	750,000	11,112,055
11	Disposal, lease, retention costs . . .	574,251	9,922	15,000	25,000	127,088	25,000	106,051	2,000	5,000	889,312
12	Rehabilitation and conservation . . .	144,084	0	19,394	19,394	35,786	19,394	69,264	19,394	0	326,710
13	Interest . . .	2,520,000	40,000	350,000	80,000	525,000	80,000	280,000	160,000	45,000	4,080,000
14	Other income . . .	(45,000)	(3,000)	(20,000)	(5,000)	(20,000)	(5,000)	(12,500)	(15,000)	(2,500)	128,000
15	Subtotal (2 through 14 except 7b) . . .	9,803,742	220,173	2,388,572	326,572	4,426,998	326,572	3,818,138	1,581,064	894,500	23,786,331
16	Contingencies . . .	1,470,561	33,026	358,286	48,986	664,050	48,986	572,721	238,360	45,000	3,479,976
17	Real estate purchases . . .	24,048,420	380,000	4,500,000	1,500,000	3,950,500	1,500,000	1,543,514	1,800,000	500,000	39,722,434

18	Project inspection.....	214,007	4,764	54,786	14,142	69,516	14,142	44,935	29,399	11,581	457,272
19	Total project execution expenditures.....	35,536,730	637,963	7,301,644	1,889,700	9,111,064	1,889,700	5,979,308	3,648,823	1,451,081	67,446,013
20	Total project expenditures.....	36,255,730	937,963	7,301,644	1,914,700	9,280,083	1,939,700	6,566,183	3,875,647	1,509,023	69,530,673
	FORM H-6200 PROJECT COST ESTIMATE										
A1	Total project expenditures.....	36,255,730	937,963	7,301,644	1,914,700	9,280,083	1,939,700	6,566,183	3,875,647	1,509,023	69,530,673
A7	Total noncash local grants-in-aid.....	2,590,000	0	0	0	223,150	0	590,015	0	0	3,403,165
A8	Gross project cost.....	38,845,730	937,963	7,301,644	1,914,700	9,503,233	1,939,700	7,156,198	3,875,647	1,509,023	72,983,838
A12	Total proceeds from project land.....	12,841,850	48,000	500,000	500,000	1,528,800	500,000	738,850	10,000	750,000	17,417,500
A13	Net project cost.....	26,003,880	889,963	6,801,644	1,414,700	7,974,433	1,439,700	6,417,348	3,865,647	759,023	55,566,338
A22	Total local grants-in-aid.....	6,500,970	200,725	1,700,411	353,675	1,993,608	359,925	1,604,337	966,412	759,023	14,439,086
A23	Project capital grant (75 percent).....	19,502,910	689,238	5,101,233	1,061,025	5,980,825	1,079,775	4,813,011	2,899,235	0	41,127,252
A24	Relocation grant.....	2,478,750	2,000	58,000	10,000	227,250	10,000	56,900	292,500	0	3,135,400
A25	Total Federal capital grant (75 per- cent basis).....	21,981,660	691,238	5,159,233	1,071,025	6,208,075	1,089,775	4,869,911	3,191,735	0	44,262,652
A25X	Total Federal capital grant (90 per- cent basis).....	25,882,242	802,967	6,179,480	1,283,230	7,404,240	1,305,730	5,832,513	3,771,782	683,121	53,145,305
	Total Federal capital grant (rounded).....	25,900,000	800,000	6,200,000	1,300,000	7,400,000	1,300,000	5,800,000	3,800,000	700,000	53,200,000

NOTE.—Alaska R-25, Valdez, is an open-land project. Site improvements (line 10) based on Corps of Engineers doing about \$4,400,000 of improvements for project.

Senator ANDERSON. Mr. Hayes is our next witness.

STATEMENT OF GEORGE HAYES, ATTORNEY GENERAL OF THE STATE OF ALASKA, REPRESENTING GOVERNOR EGAN; ACCOMPANIED BY R. DUANE SAUNDERS, DIRECTOR, OFFICE OF DEBT ANALYSIS, DEPARTMENT OF THE TREASURY

MR. HAYES. Mr. Chairman, members of the committee, my name is George Hayes. I am attorney general for the State of Alaska. I am appearing here in behalf of Gov. William A. Egan of Alaska and also in behalf of Senator Gruening, Senator Bartlett, and Representative Rivers of Alaska.

Mr. Chairman, Governor Egan desires that I present to you his gratitude and appreciation for the efforts of the Congress and the President in behalf of the State of Alaska and its citizens. The financial, physical, and moral assistance already given our State is considerable. The assistance that is being proposed in this bill you are considering today will enable us to recover from the effects of the earthquake sooner than most of us believed possible just 2 months ago.

This omnibus bill represents only a part of the time-consuming and productive efforts of yourself and the Federal Commission for the Reconstruction and Development of Alaska. For this the State government, our citizens, and our congressional delegation are grateful. We are grateful, too, for the immediate attention given to our problems by the President of the United States. We also recognize and are indebted to the array of capable talent in the person of Mr. Dwight Ink, Executive Director of the Commission, and his fine staff. I have personally observed their hard work, their extra long hours, and their devotion to the task assigned to them by you. Further, the cooperation extended to us by all of the Federal departments and agencies could not have been better, and of course we are deeply indebted to the U.S. taxpayer.

If the aid already given together with that proposed here were to be the sum total, we could have no complaint.

The omnibus bill as drafted and presented is a good bill. It goes a long way.

The fact that we have suggestions to offer by way of amendments does not alter our respect for the great measure of aid incorporated in the present form of the bill. We all hope that the two changes I am suggesting to you will not be mistaken by you as a sign of insufficient recognition of the good already accomplished.

We would not make these requests of you if we did not firmly believe them to be essential to the rate of our recovery. If the Congress were to agree with us in these two areas, it would cost the Federal Government somewhat more than would be the case if the bill passes in its present form. While the State is participating in the cost of reconstruction, the unhappy fact is that the State government and its citizens are not presently in a position financially to assist in our own recovery to the extent we would like. If we were in a better position, we would not make this request.

Prior to outlining our suggestions, may I give you a brief history of the State's financial position.

When we became a State in 1959 our State enjoyed a gross State product in the neighborhood of some \$600 million a year. Our first State appropriation bill, excluding Federal matching funds for items such as Federal aid to highways, was in the amount of approximately \$41,600,000. In 1960 the legislature appropriated approximately \$47,200,000. In 1961, \$60,300,000. In 1962, \$67,600,000. In 1963, \$85,300,000. In 1964, \$81,200,000. It is interesting to note that the damage figures for the disaster are presently in the neighborhood of about \$300 million.

Due to sound financial management, we have always ended each fiscal year with a surplus. The State of Alaska has, in its brief history, operated in the black. In addition to these expenditures, our State legislature and our citizens have authorized a capital improvement program costing \$50,825,000—all in general obligation bonds. We have already issued \$39,201,000 of these bonds for schools, roads, ferry system, University of Alaska, and airfields, and hospital issues. We must yet issue \$11,624,000 to complete these programs already begun.

Mr. Chairman, while we take great pride in these services, these programs have never been luxury items. They provide bare essential services needed to sustain a population of 250,000 people spread over an area of nearly 600,000 square miles. We have drawn upon and continue to draw upon the resources of approximately 50,000 State taxpayers. We proved we could afford statehood—but we cannot afford an earthquake of the magnitude of the one that just occurred.

We have no alternative but to commit our financial resources to the continuation of these minimum services if we are to maintain our population—let alone grow. It is for this reason alone that we ask you to consider amendments to two areas of this bill.

Section 53 of the bill authorizes the HHFA Administrator to enter into contracts with our political subdivisions and the Alaska State Housing Authority for urban renewal projects. The U.S. share of the net costs of such projects—under the proposed omnibus bill also—under present law is 75 percent of such costs. The cities ordinarily contribute the other 25 percent. Some weeks ago it had been proposed to the commission by HHFA that the ratio for disaster-connected urban renewal projects be changed to a 90-to-10-percent basis with the Federal Government contributing 90 percent of the local costs and the State contributing 10 percent. The various members of the commission recognized that the cost of the urban renewal projects was an entirely new expenditure thrust upon our taxpayers as a result of the earthquake. They recognized, also, that we could not afford such a program if the cost to us amounted to 25 percent of the net costs. The present form of the bill reduces the total amount of moneys authorized for the URA programs over what had been originally proposed, over what had been originally discussed in commission meetings. Moreover, it does not authorize a 90-to-10-percent contributive ratio as had been proposed earlier. It is estimated by the Alaska State Housing Authority that disaster-connected URA programs could have a net project cost of approximately \$40 million.

If the present 75-to-25 ratio is not changed, the State of Alaska and its cities would have to contribute \$10 million of that cost. The U.S. portion would be \$30 million. At a 90-to-10 ratio, our cost, the State cost, would be \$4 million and the Federal cost would be \$36 million.

The present form of the omnibus bill authorizes a Federal contributive share not to exceed \$25 million. Under this limitation, of course, the actual dollar cost to both the United States and the State and local governments is less; that is, less than the figures we had originally talked about. We believe, as does the commission, that URA projects are an important part of our recovery. We earnestly request that for disaster-connected Urban Renewal Administration projects, the Federal administrator be permitted to contribute up to 90 percent of the net project costs, if, in his discretion, such a share is necessary to carry out a particular program at all. We do not request that a 90-to-10 ratio be made mandatory, but permissive only so as to enable the urban renewal authority to implement the recovery program where State and local contributive funds simply cannot be raised on a 75-to-25 basis, and by permitting him to contribute up to 90 percent this does not, of course, necessarily mean that even where he finds a greater ratio than 75-to-25 is necessary that it has to be cleared up to 90.

Under present urban renewal authority, payment for property taken for urban renewal projects is made on a basis of the value at the time of the taking. In many cases a disaster-connected urban renewal project will be based upon greatly depressed prices due to subsidence of the land taken for the project, or the ruination of the home on the land, or both. We would like to point out to the committee that if the URA administrator had the legal authority to pay prices for land condemned or purchased at a price related to the value prior to the disaster, such a measure would assist considerably in the restoration work envisioned in the urban renewal projects.

The other request we would urge the committee to consider is an amendment to section 56 of the proposed omnibus bill. According to this section, as presently written, the State of Alaska may borrow from the U.S. Government an amount not to exceed \$25 million at a present rate of interest of $3\frac{5}{8}$ percent. Our legislature, convened last week, has recently authorized issuance of bonds or borrowing authority in the amount of \$12,300,000 to be used for disaster recovery purposes. This authorization by the legislature consists of three separate programs. One is to provide the State's share of matching funds for the reconstruction of our highways. A second is to provide for a State's share not to exceed 10 percent of the net project costs of disaster connected urban renewal projects in the State. Those are grants to the municipalities, not loans. The third authorizes the expenditure of up to \$2 million for rebuilding of public buildings—

Senator ANDERSON. May I stop you there a moment. Is this in addition to the \$50 million?

Mr. HAYES. No. This is a part of it, Mr. Chairman.

Senator ANDERSON. What about the other \$37.5 million?

Mr. HAYES. They have not as yet been authorized by the legislature. Up to now a total of—

Senator ANDERSON. They do not find a need to spend it.

Mr. HAYES. At the present time they feel that they must wait and see the development of the situation, what Federal aid will do, what Federal aid may not be able to do, and go from there.

Senator ANDERSON. In other words, if the Federal Government will pick up the tab, it will not be necessary to issue these bonds.

Mr. HAYES. No. That is not what I meant to indicate if that is what I indicated. I meant this. Up to now from what the Federal Government has done and from our present posture, we see a need immediately for the issuance of \$12,300,000 in bonds. As time passes, and we see what occurs, and we see the rate of development, the rate of restoration, then we will be in a better position to determine where further to commit more of the other \$37 million you talk about.

Senator ANDERSON. Well, now, the highway program is about \$60 or \$65 million. And a substantial portion of that is forest highways to which you made no contribution at all.

Mr. HAYES. That is correct.

Senator ANDERSON. That leaves about \$30 million which would make an increase of 5 percent.

Mr. HAYES. That is correct.

Senator ANDERSON. That is \$1,500,000. That is the first of the three items. The next item is——

Mr. HAYES. May I——

Senator ANDERSON. The State's share of the disaster urban renewal projects, and if those are held to \$35 million, that is another \$3.5 million. Then there is \$2 million for public buildings. That makes a total of \$7 million. What is the other \$5 million for?

Mr. HAYES. Mr. Chairman, on the first part, on the highway matching funds, I think that while your proportion is right, of course, it would be a 5-percent contributing proportion, there are other costs not reimbursable even on the 95-5 formula, and we have to take care of those, too. Administrative costs, for example. The legislature, for highway matching funds for reconstruction of destroyed highways, appropriated out of this \$50 million disaster bond issue a total of \$3,800,000. All of that may not be necessary. However, it will probably be that it will be closer to that figure than the figure the chairman gave which is a straight 5 percent of the cost.

Now, you mentioned also the urban renewal participation by the State. Earlier, as you recall, the figures—and they were very preliminary figures, and I do not think anyone in responsible authority urges that they were anything but very preliminary figures—the figures were \$65 million for the urban renewal project as a whole. The figure since then has come down. We began our work on the bond issues for urban renewal projects on the basis of \$65 million, now, on the basis of a 90-10 ratio, and came to the conclusion that the State ought to make available to the communities at least \$6.5 million in grants in the event it should go up as high as the \$65 million for these costs. I think these costs now are down, I know they are down, and therefore it will not take that much of the appropriation.

Senator ANDERSON. Go ahead.

Mr. HAYES. Our State commissioner of revenue has compiled a table showing the amount of interest the State would be required to pay over 40 years at a rate of $3\frac{5}{8}$ percent, assuming a loan of \$25 million. The commissioner has also compiled a table assuming a loan at $3\frac{5}{8}$ percent of \$12,300,000. The table shows a total amount of interest

the State would have to pay over 40 years on a \$25 million loan. That amount is over \$18.5 million. On a \$12,300,000 loan from the Federal Government the amount of interest over 40 years is over \$9,140,000. The commissioner of revenue has also compiled tables showing what our interest rates would be at $3\frac{3}{4}$ percent (which is the rate which will be in force on July 1 according to our understanding). Also the rates of interest at 3 percent and 2 percent.

(The tables are as follows:)

*\$12,300,000 State of Alaska general obligation bond issue, disaster issues only—
Based on: 40-year maturity, level payment basis, no deferment of principal
payment, interest rate at 3.625 percent per annum*

Year	Principal out- standing	Interest at 3.625 percent	Principal payment	Total cash requirements
1965-----	\$12,300,000	\$445,875.00	\$307,500	\$753,375.00
1966-----	11,992,500	434,728.13	307,500	742,228.13
1967-----	11,685,000	423,581.26	307,500	731,081.26
1968-----	11,377,500	412,434.39	307,500	719,934.39
1969-----	11,070,000	401,287.52	307,500	708,787.52
1970-----	10,762,500	390,140.65	307,500	697,640.65
1971-----	10,455,000	378,993.78	307,500	686,493.78
1972-----	10,147,500	367,846.91	307,500	675,346.91
1973-----	9,840,000	356,700.04	307,500	664,200.04
1974-----	9,532,500	345,553.17	307,500	653,053.17
1975-----	9,225,000	334,406.30	307,500	641,906.30
1976-----	8,917,500	323,259.43	307,500	630,759.43
1977-----	8,610,000	312,112.56	307,500	619,612.56
1978-----	8,302,500	300,965.69	307,500	608,465.69
1979-----	7,995,000	289,818.82	307,500	597,318.82
1980-----	7,687,500	278,671.95	307,500	586,171.95
1981-----	7,380,000	267,525.08	307,500	575,025.08
1982-----	7,072,500	256,378.21	307,500	563,878.21
1983-----	6,765,000	245,231.34	307,500	552,731.34
1984-----	6,457,500	234,084.47	307,500	541,584.47
1985-----	6,150,000	222,937.60	307,500	530,437.60
1986-----	5,842,500	211,790.73	307,500	519,290.73
1987-----	5,535,000	200,643.86	307,500	508,143.86
1988-----	5,227,500	189,496.99	307,500	496,996.99
1989-----	4,920,000	178,350.12	307,500	485,850.12
1990-----	4,612,500	167,203.25	307,500	474,703.25
1991-----	4,305,000	156,056.38	307,500	463,556.38
1992-----	3,997,500	144,909.51	307,500	452,409.51
1993-----	3,690,000	133,762.64	307,500	441,262.64
1994-----	3,382,500	122,615.77	307,500	430,115.77
1995-----	3,075,000	111,468.90	307,500	418,968.90
1996-----	2,767,500	100,322.03	307,500	407,822.03
1997-----	2,460,000	89,175.16	307,500	396,675.16
1998-----	2,152,500	78,028.29	307,500	385,528.29
1999-----	1,845,000	66,881.42	307,500	374,381.42
2000-----	1,537,500	55,734.55	307,500	363,234.55
2001-----	1,230,000	44,587.68	307,500	352,087.68
2002-----	922,500	33,440.81	307,500	340,940.81
2003-----	615,000	22,293.94	307,500	329,793.94
2004-----	307,500	11,147.07	307,500	318,647.07
Total-----	0	9,140,451.40	12,300,000	21,440,451.40

*\$12,300,000 State of Alaska general obligation bond issue, disaster issues only—
Based on: 40-year maturity, level payment basis, no deferment of principal
payment, interest rate at 3.75 percent per annum*

Year	Principal out- standing	Interest at 3.75 percent	Principal payment	Total cash re- quirements
1965.....	\$12,300,000	\$461,250.00	\$307,500	\$768,750.00
1966.....	11,992,500	449,718.75	307,500	757,218.75
1967.....	11,685,000	438,187.50	307,500	745,687.50
1968.....	11,377,500	426,656.25	307,500	734,156.25
1969.....	11,070,000	415,125.00	307,500	722,625.00
1970.....	10,762,500	403,593.75	307,500	711,093.75
1971.....	10,455,000	392,062.50	307,500	699,562.50
1972.....	10,147,500	380,531.25	307,500	688,031.25
1973.....	9,840,000	369,000.00	307,500	676,500.00
1974.....	9,532,500	357,468.75	307,500	664,968.75
1975.....	9,225,000	345,937.50	307,500	653,437.50
1976.....	8,917,500	334,406.25	307,500	641,906.25
1977.....	8,610,000	322,875.00	307,500	630,375.00
1978.....	8,302,500	311,343.75	307,500	618,843.75
1979.....	7,995,000	299,812.50	307,500	607,312.50
1980.....	7,687,500	288,281.25	307,500	595,781.25
1981.....	7,380,000	276,750.00	307,500	584,250.00
1982.....	7,072,500	265,218.75	307,500	572,718.75
1983.....	6,765,000	253,687.50	307,500	561,187.50
1984.....	6,457,500	242,156.25	307,500	549,656.25
1985.....	6,150,000	230,625.00	307,500	538,125.00
1986.....	5,842,500	219,093.75	307,500	526,593.75
1987.....	5,535,000	207,562.50	307,500	515,062.50
1988.....	5,227,500	196,031.25	307,500	503,531.25
1989.....	4,920,000	184,500.00	307,500	492,000.00
1990.....	4,612,500	172,968.75	307,500	480,468.75
1991.....	4,305,000	161,437.50	307,500	468,937.50
1992.....	3,997,500	149,906.25	307,500	457,406.25
1993.....	3,690,000	138,375.00	307,500	445,875.00
1994.....	3,382,500	126,843.75	307,500	434,343.75
1995.....	3,075,000	115,312.50	307,500	422,812.50
1996.....	2,767,500	103,781.25	307,500	411,281.25
1997.....	2,460,000	92,250.00	307,500	399,750.00
1998.....	2,152,500	80,718.75	307,500	388,218.75
1999.....	1,845,000	69,187.50	307,500	376,687.50
2000.....	1,537,500	57,656.25	307,500	365,156.25
2001.....	1,230,000	46,125.00	307,500	353,625.00
2002.....	922,500	34,593.75	307,500	342,093.75
2003.....	615,000	23,062.50	307,500	330,562.50
2004.....	307,500	11,531.25	307,500	319,031.25
Total.....	0	9,455,625.00	12,300,000	21,755,625.00

*\$12,300,000 State of Alaska general obligation bond issue, disaster issues only—
Based on: 40-year maturity, level payment basis, no deferment of principal
payment, interest rate at 3 percent per annum*

Year	Principal outstanding	Interest at 3 percent	Principal payment	Total cash requirements
1965.....	\$12,300,000	\$369,000	\$307,500	\$676,500
1966.....	11,992,500	359,775	307,500	667,275
1967.....	11,685,000	350,550	307,500	658,050
1968.....	11,377,500	341,325	307,500	648,825
1969.....	11,070,000	332,100	307,500	639,600
1970.....	10,762,500	322,875	307,500	630,375
1971.....	10,455,000	313,650	307,500	621,150
1972.....	10,147,500	304,425	307,500	611,925
1973.....	9,840,000	295,200	307,500	602,700
1974.....	9,532,500	285,975	307,500	593,475
1975.....	9,225,000	276,750	307,500	584,250
1976.....	8,917,500	267,525	307,500	575,025
1977.....	8,610,000	258,300	307,500	565,800
1978.....	8,302,500	249,075	307,500	556,575
1979.....	7,995,000	239,850	307,500	547,350
1980.....	7,687,500	230,625	307,500	538,125
1981.....	7,380,000	221,400	307,500	528,900
1982.....	7,072,500	212,175	307,500	519,675
1983.....	6,765,000	202,950	307,500	510,450
1984.....	6,457,500	193,725	307,500	501,225
1985.....	6,150,000	184,500	307,500	492,000
1986.....	5,842,500	175,275	307,500	482,775
1987.....	5,535,000	166,050	307,500	473,550
1988.....	5,227,500	156,825	307,500	464,325
1989.....	4,920,000	147,600	307,500	455,100
1990.....	4,612,500	138,375	307,500	445,875
1991.....	4,305,000	129,150	307,500	436,650
1992.....	3,997,500	119,925	307,500	427,425
1993.....	3,690,000	110,700	307,500	418,200
1994.....	3,382,500	101,475	307,500	408,975
1995.....	3,075,000	92,250	307,500	399,750
1996.....	2,767,500	83,025	307,500	390,525
1997.....	2,460,000	73,800	307,500	381,300
1998.....	2,152,500	64,575	307,500	372,075
1999.....	1,845,000	55,350	307,500	362,850
2000.....	1,537,500	46,125	307,500	353,625
2001.....	1,230,000	36,900	307,500	344,400
2002.....	922,500	27,675	307,500	335,175
2003.....	615,000	18,450	307,500	325,950
2004.....	307,500	9,225	307,500	316,725
Total.....	0	7,564,500	12,300,000	19,864,500

*\$12,300,000 State of Alaska general obligation bond issue, disaster issues only—
Based on: 40-year maturity, level payment basis, no deferment of principal
payment, interest rate at 2 percent per annum*

Year	Principal outstanding	Interest at 2 percent	Principal payment	Total cash requirements
1965.....	\$12,300,000	\$246,000	\$307,500	\$533,500
1966.....	11,992,500	239,850	307,000	547,350
1967.....	11,685,000	233,700	307,500	541,200
1968.....	11,377,500	227,550	307,500	535,050
1969.....	11,070,000	221,400	307,500	528,900
1970.....	10,762,500	215,250	307,500	522,750
1971.....	10,455,000	209,100	307,500	516,600
1972.....	10,147,500	202,950	307,500	510,450
1973.....	9,840,000	196,800	307,500	504,300
1974.....	9,532,500	190,650	307,500	498,150
1975.....	9,225,000	184,500	307,500	492,000
1976.....	8,917,500	178,350	307,500	485,850
1977.....	8,610,000	172,200	307,500	479,700
1978.....	8,302,500	166,050	307,500	473,550
1979.....	7,995,000	159,900	307,500	467,400
1980.....	7,687,500	153,750	307,500	461,250
1981.....	7,380,000	147,600	307,500	455,100
1982.....	7,072,500	141,450	307,500	448,950
1983.....	6,765,000	135,300	307,500	442,800
1984.....	6,457,500	129,150	307,500	436,650
1985.....	6,150,000	123,000	307,500	430,500
1986.....	5,842,500	116,850	307,500	424,350
1987.....	5,535,000	110,700	307,500	418,200
1988.....	5,227,500	104,550	307,500	412,050
1989.....	4,920,000	98,400	307,500	405,900
1990.....	4,612,500	92,250	307,500	399,750
1991.....	4,305,000	86,100	307,500	393,600
1992.....	3,997,500	79,950	307,500	387,450
1993.....	3,690,000	73,800	307,500	381,300
1994.....	3,382,500	67,650	307,500	375,150
1995.....	3,075,000	61,500	307,500	369,000
1996.....	2,767,500	55,350	307,500	362,850
1997.....	2,460,000	49,200	307,500	356,700
1998.....	2,152,500	43,050	307,500	350,550
1999.....	1,845,000	36,900	307,500	344,400
2000.....	1,537,500	30,750	307,500	338,250
2001.....	1,230,000	24,600	307,500	332,100
2002.....	922,500	18,450	307,500	325,950
2003.....	615,000	12,300	307,500	319,800
2004.....	307,500	6,150	307,500	313,650
Total.....	0	5,043,000	12,300,000	17,343,000

Mr. HAYES. In a recent visit by the Treasury and the Bureau of the Budget people to Juneau, they indicated to the commissioner of revenue that beginning July 1 this $3\frac{5}{8}$ -percent interest that we have been talking about on loans by the United States to the State of Alaska will go up to $3\frac{3}{4}$. That will be the cost of money to the U.S. Government. And so the commissioner of revenue compiled a table showing what interest rates would be at $3\frac{3}{4}$. And then for the purpose of comparison, he has drafted a table of the total cost of dollars to the State if the State were to borrow moneys from the United States in the amount of \$25 million at 3 and 2 percent, and he has similar tables if we would borrow money from the United States in the amount of \$12,300,000 at the rate of 3 and 2 percent.

Although the total price in dollars over 40 years would not be high to a State more fully developed financially than we, it is high to us. We have obligated ourselves already as a State for more than \$39 million in general obligation bonds. We shall soon be paying an average of \$21½ million a year principal and interest on these general obligation bonds. We do not know to what extent our growth rate has been slowed by the earthquake. We do know, for instance, that our gross tax collections for the month of May were \$1,344,000 less than May of 1963. We ordinarily would have expected an increase of gross tax collections over May of 1963 of some \$350,000. This represents the normal growth factor we have been experiencing over the years. Thus, when the gross tax collection shortfall is coupled with the gross tax collection we did not get, due to our failure to grow, it amounts to \$1,694,244, a loss this May over last May. This does not include State tax refunds which will be made due to losses caused by the earthquake. Thus our ability to pay for our own recovery is not as strong as we wish it were. We would urge the committee to amend the omnibus bill and reduce the rate of interest on any loans made by the U.S. Government to Alaska to a rate lower than $3\frac{5}{8}$ percent. As can be seen from the tables compiled by our commissioner of revenue, a difference of 1 percent over 40 years on a loan of \$12,300,000 amounts to \$2.5 million. This is a considerable amount of money.

As to our regular general obligation bonds—

Senator ANDERSON. Do you suggest what figures the interest rate ought to be? Have you a suggested figure which you think the interest rate ought to be?

Mr. HAYES. We can start from a very ideal situation and go to lesser ideal situations. We can begin, Mr. Chairman, at an interest rate of less than 1 percent. We can go to an interest rate of 1 percent or 2 percent or 2.5 percent or 3.

So far as the State is concerned, the lower the Federal Government, the Congress, can make that interest rate, the better financial position we will be in over the years.

As to our regular general obligation bonds, our financial advisers tell us that we can expect to pay a high interest rate on the open market. Their view is that we may have to pay as high as $4\frac{1}{4}$ or $4\frac{1}{2}$ percent. Members of the U.S. Treasury agree that our current credit standing has been impaired and that a sale of the remainder of our general obligation bonds now or in the near future would require us to pay an abnormally high interest rate. Our present program calls for a sale of general obligation bonds in the amount of \$7,200,000 during

the next fiscal year, probably next spring. That is \$7,200,000 of the \$11 million total we have got left in present authorization for general obligation bonds. We are hoping that our credit position will improve considerably by next spring. We believe it will. Federal aid given and proposed surely will not be lost on bond buyers. Your assistance already provided and to be provided will probably bring the interest rate we will be required to pay, down to levels we can live with. But no one can be sure. In order to make certain we can carry out our necessary, normal capital improvement program, we would like to have the assistance applied to our regular bond issue that is being presently proposed in this omnibus bill for disaster loans. This assistance may not be necessary. Hopefully we can obtain a favorable rate of interest by next spring. But, if we cannot—and if the Federal Government will submit a bid for our bonds at a rate of interest of $3\frac{5}{8}$ or $3\frac{3}{4}$ percent, or whatever rate money costs the United States at that time—we can be assured that our regular capital improvement program will continue. This type of assistance, this latter type we are proposing, should not cost the Federal Government any money, since we would pay the prevailing price of money to the United States. And, again, it may not be necessary for the United States to have to purchase any of our regular bonds. We hope we can get a lower rate of interest on the open market than the United States will ask from us. But we do need that assurance if we are to be able to continue with our planning and our building.

We are all aware that our requests to you contain an element of risk. We are concerned, for example, that some may think us to be thankless people. That, Senator, is of course not the case. We are concerned, too, that our requests may delay passage of an omnibus bill. We certainly do not want that to occur. We weighed our needs against these risks for some time before coming to a decision. If we did not believe that we needed this additional assistance, we would not have come before you.

We are not unmindful that we are not the only area the Congress and the President must consider. We are not unmindful, either, that the U.S. Treasury does have its limits, and that U.S. taxpayers have a right to demand that their dollars be spent wisely and prudently.

We believe that restoration of the State is a wise and prudent investment on the part of the United States. And we know full well that you, too, are agreed upon that.

Thank you for the opportunity to appear here before you this morning.

Senator ANDERSON. Mr. Hayes, on page 2, fourth paragraph, "Due to sound financial management we have always ended each fiscal year with a surplus."

The Treasury worked up a table of fiscal projections on a predisaster basis, paid no attention to the earthquake, what was going on, and it indicated, for example, in 1964 that revenues would be about \$133 million and expenditures would be about—well, I do not know. It says cash deficit, \$19,600,000. Does that check with your statement?

Mr. HAYES. It checks with my statement. I do not know exactly how Treasury came to that figure for this year based on predisaster compilations because our—

Senator ANDERSON. Well, they have expenditures of \$152 million and revenue of \$133. That in my book produces a deficit. How under your book does it produce a surplus?

Mr. HAYES. I have indicated, Mr. Chairman, that up to right now we have not had a deficit. Up to this very month we have not had a deficit. We would not have had a deficit—assuming the earthquake had not occurred, we would have ended this fiscal year without a deficit. We would have been in the black some several millions of dollars.

Senator ANDERSON. What is your fiscal year, calendar year?

Mr. HAYES. No. The same as the Federal Government. July 1 to June 30.

Senator ANDERSON. These figures showed if you are going to have a deficit of \$20 million, where do you get your authority for your statement that you always end up each year with a surplus.

Mr. HAYES. I know I get my authority from the commissioner of administration and commissioner of revenue. Where Mr. Saunders and Mr. Reed come to their conclusions, that I cannot say, how they come to their conclusions. I have a table here you are referring to.

Senator ANDERSON. You have the table. If you have the table there, you can look ahead to 1969, and without the disaster you would have expected in 1966, I will put it, a \$25 million, \$26 million deficit. In 1967, a \$32.7 million deficit. In 1968, a \$34.5 million deficit. And 1969, a \$40.5 million deficit. How do you call that such stable management?

Mr. HAYES. Mr. Chairman, these are years in the future. Again, I think that while I cannot testify to you as to how Mr. Saunders came to these figures, I think I can say this to you, that while in the past we have operated in the black and we were happy about that, our financial position was never so good that we could expect to do so for the indefinite future. This is one of the reasons that we are here before you now making the requests we are making. As to the particular figures that Mr. Saunders came to, the conclusions he arrived at, and he is here and perhaps can be of assistance to you, I cannot give you his reasoning or his explanation of what he thinks.

Senator ANDERSON. Mr. Saunders ought to testify. Mr. Saunders, did you find they operated in the black in 1963?

Mr. SAUNDERS. Well, sir, this involves the question of capital outlays as well as ordinary expenses. On an ordinary expense basis, against their general funds, the State of Alaska was in the black.

Senator ANDERSON. Say that again.

Mr. SAUNDERS. On their general fund operations, income and expenditures, the State of Alaska was in the black in the fiscal year 1963.

Senator ANDERSON. Didn't they spend more than they took in?

Mr. SAUNDERS. If you include their capital outlays, Senator, then they were in the red. If you include the capital outlay. This is the difference. The table we prepared included both the ordinary operating expenditures and the capital outlays. A good part of their capital outlays they had been funding through debt operations.

Senator ANDERSON. Your table which you prepared shows that in 1964 their debt would be about \$38.1 million and by 1969 the debt of the State of Alaska would have risen to \$160 million. Is that not right?

Mr. SAUNDERS. On the assumption that they funded all of the programs that were through a debt instrument.

Senator JACKSON. Funded all the deficit. If they do not fund it, they would certainly have to have repudiation; wouldn't they?

Mr. SAUNDERS. No, sir.

Senator ANDERSON. No other way to pay them.

Mr. SAUNDERS. They could have done this in a different way. We had to assume a method of funding the program of the State of Alaska through 1969. The State of Alaska could have raised their revenues by increasing their tax rates or could have cut back on their capital outlays or on their program for ordinary expenditures. I suspect they would have followed a combination of all of these procedures—

Senator ANDERSON. Did the legislature meet in 1963?

Mr. HAYES. Yes, they did.

Senator ANDERSON. Did they raise taxes?

Mr. HAYES. Not in 1963, no.

Senator ANDERSON. That answers one of the questions. Did they cut back expenditures?

Mr. HAYES. Let me see. The figures here, 1961, \$60 million; 1962, \$67 million; 1963, \$85 million. That is for the appropriation for 1964, 1963-64.

Senator ANDERSON. As a matter of fact, Mr. Hayes, they did not increase taxes, and they did increase expenditures, did they not?

Mr. HAYES. Yes, sir. You see—all right. Yes, we did.

Senator ANDERSON. I just hate to have the statement made that due to sound financial management you always end each year with a surplus. We have people who say it is sound management on the Federal Government to run a Federal deficit. We do it all the time. How can you have a surplus when you spend more than you take in?

Senator GRUENING. First of all, I would like to congratulate Mr. Hayes, our attorney general, on a very excellent statement, and I am very happy about this colloquy that has taken place between the Chairman and the attorney general. If the figures produced by the Treasury Department contradict effectively those presented by the State, it seems to me a strong argument for greater generosity on the part of the Federal Government to meet this disaster. If there is a deficit being run, it also would indicate that the State of Alaska is following the excellent example of the Federal Government which is steadily running deficits, which has not raised taxes to meet those deficits but to the contrary has lowered them. Consequently, it seems to me that whatever the presentation, the State of Alaska emerges in a very enviable position in comparison to what its father and mother, the Federal Government, are doing, and I am hoping the results, whatever the facts may prove, will indicate that the State of Alaska needs help from the Federal Government and that that help should be forthcoming.

Senator ANDERSON. Mr. Berry, we will try to get you in here and then Mr. Smith.

STATEMENT OF DON M. BERRY, EXECUTIVE DIRECTOR, ALASKA MUNICIPAL LEAGUE

Mr. BERRY. Thank you, Mr. Chairman. I am Don Berry, executive director of the Alaska Municipal League. I do have a prepared statement which I will read with your permission. First I wish to thank you for allowing me to be here to testify on this legislation. I am

particularly pleased to testify that the Alaska Municipal League generally endorses support of nearly every part of this bill.

The primary exception to this endorsement is opposition to section 4 which deals with urban renewal. It was our sincere hope that a more liberal policy could have been devised for the tragic situation facing Alaska's municipalities since the earthquake and subsequent seismic waves. The present formula of 75-to-25 matching funds has always been applied to Alaska because of the population factor and its designation as a depressed area. Until March 27, 1964, this ratio was favorable enough to enable several Alaskan cities to utilize the urban renewal program.

Now, however, it is no longer adequate to meet our needs. Of those cities which were badly damaged and now in need of renewal projects none can afford to assume an obligation of such proportions. Neither the available money nor a predictable tax base is any longer in existence. Much of the property acquired under urban renewal will have to be diverted to low-production uses such as parks and public lands. Thus there will be very little, if any, net gain accruing to the cities.

It was hoped that the legislation before us would have made some concessions in urban renewal to the present situation. Other programs have been designed, and are present in this bill, dealing with other segments of reconstruction. The application of the 75-to-25 matching ratio presents nothing new to meet the demands in the damaged areas of Alaska. No concession has been made to take care of the critical period through which we are now passing.

The Alaska Municipal League respectfully requests that this committee give serious consideration to changing the urban renewal matching formula to a 90-to-10 basis in this bill. We feel that such a change would enable all of the stricken areas to take advantage of the urban renewal program and proceed with the vast reconstruction job ahead.

We understand and have been made aware now that there are several other amendments to be proposed which would liberalize some sections of the bill. The municipal league supports these amendments because we feel they will aid in the rapid and complete recovery of all segments of our State.

Senator ANDERSON. Do you know what those amendments are?

Mr. BERRY. Those which Mr. Hayes had mentioned, the changes that he has mentioned as being——

Senator ANDERSON. There are several other amendments.

Mr. BERRY. I think he mentioned three. Those are the ones to which I am referring, Mr. Chairman.

The cities of Alaska believe that the urban renewal concept is their best solution in the present situation. However, if that solution is not placed in the realm of financial feasibility, it will have to be abandoned by those cities which so badly need it. The people in Alaska have the desire and the ability to rebuild, but at the start we need the type of assistance which would be contained in a 90-to-10 matching ratio on urban renewal.

It is a very short statement, Senator Anderson, but we do want to let you know we support the greater part of this bill. The proposed amendments we would certainly be entirely in favor of, and we want to go on record as commending the persons responsible for drafting its introduction.

Thank you.

Senator ANDERSON. Senator Gruening?

Senator GRUENING. No questions.

Senator ANDERSON. Thank you very much, Mr. Berry.

STATEMENT OF ROBERT B. SMITH, LEGISLATIVE REPRESENTATIVE, NATIONAL RURAL ELECTRIC COOPERATIVES ASSOCIATION

Senator ANDERSON. Mr. Smith?

Mr. SMITH. My name is Robert B. Smith. I am a legislative representative for the National Rural Electric Cooperatives Association, the trade organization for over 900 rural electric cooperatives throughout the country.

We favor S. 2881 because REA electric systems are a vital part of the Alaskan economy, particularly in the area hardest hit by the earthquake. Altogether they serve about 10 percent of the State's population. They are deeply concerned with the rehabilitation of Alaska and their responsibilities in recovery from the disaster.

Ten days after the Good Friday disaster, I visited Alaska and saw with my own eyes the damage that was done to our member electric systems at Anchorage, Kodiak, and Homer. At that time, under emergency arrangements and in many cases through temporary facilities, electric service had been restored to areas that could use it. In my opinion, it is a tribute to the management and employees of the rural electric systems that they responded so quickly after the disaster in getting their systems back into operation.

Although electricity was flowing over the lines, the physical damage to powerplants, substations, transmission and distribution lines, and the other losses incurred, made it obvious that the survival of these systems was questionable unless some form of aid could be provided for them.

At this point, I would like to say that the rural electric co-ops in Alaska operate under many handicaps such as high wholesale power and operating costs, and difficult transmission and distribution problems. They are not in a position financially to absorb misfortunes of this kind and still provide the essential service they do at a cost to the consumer that is reasonable.

Alaska's recovery from the earthquake will require adequate electric service; and this is a responsibility of the rural electric co-ops in many areas. To help the economy recover and build for the future, these electric systems must be kept solvent and healthy.

Much rehabilitation work has to be done on the rural electric systems. Although service was restored with promptness and many lines and facilities are standing and being used today, heavy expenditures will be required to put them back in sound condition. Poles were weakened, lines must be resagged, hardware replaced. The earthquake developed many weaknesses that have to be corrected this summer or the lines will not be able to withstand the abuse of weather and natural depreciation when cold weather comes.

Powerplant equipment damaged or destroyed has to be replaced or repaired in time to meet the high peak demands for electricity during the winter season.

The heavy expenditures required already, and which will be required in the future to restore the systems to their former condition, imposes a burden on the co-ops that cannot be met out of their present revenue structure. Loans to help the co-ops recover is not the answer to the problem. This would only add more indebtedness on top of that already existing on damaged or destroyed property. Without assistance the operations would not longer be feasible, and Alaska reconstruction would be set back further.

Further complicating the problem is the loss in revenues resulting from the earthquake. The Chugach, Kodiak, and Homer systems all have had residences and business establishments of some of their consumers destroyed. Kodiak lost 40 to 50 percent of its total revenue. Without money coming from these former consumers, the co-ops will be hard pressed to meet their normal obligations, let alone the additional cost of reconstruction.

It was gratifying to learn not long ago that some aid to the rural electric systems will be provided under Public Law 875 administered by the Office of Emergency Planning through the State of Alaska. However, at this point, we have not learned the extent to which this assistance will meet the total needs of the co-ops to achieve full recovery.

For this reason we feel that the provision in section 51(b) of the bill before this committee is essential. It will enable the Secretary of Agriculture to cancel such indebtedness to REA as he finds necessary to meet the losses of the co-ops which are not covered by Public Law 875 or other aid programs. Thus, the REA Administrator, who is in the best position to know, can appraise the situation of each of the damaged co-ops, and can recommend to the Secretary forgiveness of loan indebtedness to the extent necessary to preserve the feasibility of the system's operations.

Passage of S. 2881 will make it possible for the rural electric systems to do their part in the reconstruction of Alaska by assuring continued reliable electric service.

On behalf of our association and our member systems in Alaska, I strongly recommend your approval of this bill, and in particular section 51(b). I am sure you will give it your very serious consideration.

Thank you.

Senator ANDERSON. I am wondering about your interpretation of 51(b). It allows the Secretary to compromise or release such portion of a borrower's indebtedness under programs administered by REA in Alaska as he finds necessary because of loss, destruction, or damage of property resulting from the earthquake. And you say:

Thus the REA Administrator can appraise the situation of each of the damaged co-ops and can recommend to the Secretary forgiveness of loan indebtedness to the extent necessary to preserve the feasibility of the system's operation.

Some of the co-ops had a difficult time before the earthquake, and there are some operations up there that are virtually insolvent.

Mr. SMITH. What?

Senator ANDERSON. Virtually insolvent.

Mr. SMITH. Yes.

Senator ANDERSON. Now, do you take this as a mandate to make them all solvent?

Mr. SMITH. Not to do other things but to make them solvent to the extent they were damaged by the earthquake.

Senator ANDERSON. Well, are you willing to stay with the language of the bill?

Mr. SMITH. Yes.

Senator ANDERSON. That confines it to loss, destruction, or damage of property resulting from the earthquake.

Mr. SMITH. That is right. We support that.

Senator ANDERSON. Your statement I think reads a little differently than that.

Mr. SMITH. That was the intent of my statement, at least, to support the language in the bill as it is written. That is what we support.

Senator ANDERSON. That is what I wanted to get. This says to preserve the feasibility of the system's operation. Now, if Chugach was in trouble before, it may be in trouble again. The total cost of lines is probably what; \$4 million? Repair work up there? Something in that neighborhood.

Mr. SMITH. Around \$5 million.

Senator ANDERSON. All right. But it might take \$50 million to make them all solvent for the future.

Mr. SMITH. Our intent was simply to bring them back to the position that they were in before the earthquake happened.

Senator ANDERSON. Loss because of the earthquake.

Mr. SMITH. Yes. We support that.

Senator ANDERSON. Senator Gruening?

Senator GRUENING. Well, you are satisfied with the present language in 51(b)?

Mr. SMITH. Yes, sir; we are.

Senator GRUENING. Would you interpret that to include the cancellation of indebtedness which resulted from the loss of income following the destruction by the earthquake?

Mr. SMITH. Well, I understand it is not the intent of that section to cover the loss of revenue, is that what you mean?

Senator GRUENING. Yes.

Mr. SMITH. It is not the intent to cover that loss of revenue. We would like to see that loss covered, but we will go with the wording in the section as it is written.

Senator GRUENING. Isn't the loss of revenue a direct result of the earthquake disaster?

Mr. SMITH. Yes, sir; it is.

Senator GRUENING. Can you suggest some additional language? Do you think it would be necessary? I would interpret that that the Administrator could do whatever is necessary to compensate for the disaster damage, whether it was loss of revenue or whether it was physical destruction or both.

Mr. SMITH. We would certainly like to see that added so that it would cover the loss of revenue because it would mean quite a bit to several of the co-ops.

Senator GRUENING. He is authorized to compromise or release such portion of the borrower's indebtedness as he finds necessary because of loss, destruction, or damage of property. Well, if as a result of loss and destruction or damage of property there is a loss in income, it seems to me there is clearly an obligation to consider that as one of the debts he can forgive. That was my interpretation.

Mr. SMITH. It certainly follows. As I pointed out in the case of the Kodiak system, where the system was damaged probably not so much as the loss of revenue sustained because it was a business district, and the fisheries and canneries were destroyed——

Senator GRUENING. If a man loses his business, if his business is destroyed, he suffers not merely the physical loss of the building and the contents but he also may suffer a loss in income for a period of time until he manages to restore himself, and that certainly would be a direct earthquake damage, would it not?

Mr. SMITH. Yes. We would consider it so.

Senator GRUENING. I would interpret this to apply equally to this provision.

Mr. SMITH. We agree.

Senator GRUENING. Thank you very much.

Senator ANDERSON. I want to call your attention to the language sent up by the President. The very last section says:

Section 51(b) would authorize the Secretary of Agriculture to adjust indebtedness of borrowers in Alaska from the Rural Electrification Administration as he finds necessary because of property loss directly resulting from the earthquake. It is intended that such adjustments will not take into account loss of revenue.

You therefore oppose the President's program on REA; do you?

Mr. SMITH. I would not put it that way.

Senator ANDERSON. Well, you are either for or against it.

Mr. SMITH. We would like to see those losses covered, but we are satisfied with the language of the bill as it is.

Senator ANDERSON. In the electrical business when you have a loss of revenue, don't you also have a loss of bills. Chugach buys some juice in the Government plant.

Mr. SMITH. Yes.

Senator ANDERSON. When they do not use it, do they pay for it?

Mr. SMITH. No.

Senator ANDERSON. Then why should they be paid for what they do not use?

Mr. SMITH. Well, they should not be paid for what they do not use; no.

Senator ANDERSON. That is why the President probably sent it up this way.

Very well. No further questions. Thank you all for—are there any other witnesses who desire to testify on this? Do you have any further statements you wish to make, Mr. Seidman? We cut you off because I was anxious to get Mr. Hayes in.

Mr. SEIDMAN. No, I do not, Mr. Chairman. I think we covered most of the points in our prepared statement, and in the questions and answers, and we will furnish the material that was requested for the record? I think as far as the amendments proposed by the Attorney General of Alaska, their statement generally deals with that. We would have some concern about those amendments.

Senator ANDERSON. We will leave the record open in case Congressman Rivers or someone else desires to make a statement.

(Whereupon, at 10:40 a.m., the hearing in the above-entitled matter was concluded.)

(Under authority previously granted the following communication was ordered printed:)

ANCHORAGE, ALASKA, June 2, 1964.

DEAR SENATOR JACKSON: I am asking for necessary individual aid for a group of Alaskans severely crippled by the earthquake and as yet unaided. We are in real need in the midst of a confusion of well-meaning FHA, SBA, OEP, HHFA, and numerous other Federal agencies. After patiently waiting for 2 months, we end in a blind alley as we desperately search for aid through each source. There is much talk and it all sounds wonderful in the papers, but if the truth be known, help is available to a small percentage of us "forgotten ones." Many of this particular group have homes that are now mere kindling lying on the tide flats or washed out into the inlet. Homes completely demolished along with lifelong possessions or homes hanging on the edge of newly created bluffs with the land gone. Homes impossible to move yet posted "To be moved or demolished immediately" and another posting stating "Anyone found inhabiting this home will be duly penalized." Yet, impossible as it may seem, we are told that we must go on paying the mortgages on these homes. In spite of all the heavy insurance we carried on homes as well as personal properties—everything was a complete loss as we were covered for everything but earthquakes and landslides. Urban Renewal will not help us as we find it pays "post" earthquake values and for these—the most severely hurt—of course, the post value is zero. This can't even be compared to fire or tornado as we don't even have land to which to return.

There are only two concrete helps available through all these agencies.

One: We can borrow SBA money at 3-percent interest to pay off all indebtedness and start all over again. This is certainly no solace. Who wants to borrow more (no matter what interest) when we are already completely overwhelmed with debts? Bankruptcy has been suggested, but this is morally wrong and impossible for the proud and strong.

Two: FNMA and VA will allow the mortgagor with total or substantial loss to pay \$1,000 and they will take the deed without further obligation. This means the loss of all equity (which represents thousands for each family) but this would be gratefully accepted. The sad part is that this covers a mere handful of those holding FHA mortgages. If it is possible for the Government to help a few—then why not all FHA-insured mortgages. They are all federally insured loans and we had no choice as to whom they would be sold. We have made every possible effort and there is just no forgiveness on the part of private investors. Is it not right to expect our Government to practice equality and cover all these loans in the same fashion? I am sure the FHA insurance fund is ample to include homes deemed a complete loss in a catastrophe such as this. Very few people can even consider rebuilding until they are relieved of the balance of their mortgage—not a recapture of their equity loss (which you so valiantly fought for through your retroactive insurance bill) but, at least, freedom from going on paying for "nothing."

If this is not done, a rash of litigation and bankruptcy will surely be the result, plus a heavy evacuation of long-time residents and leaders out of Alaska—because this group is comprised of just such pioneers. The population of all Alaska is less than one average-size city in the States and 60 percent of our tax base is gone.

Federal funds must release us from these outstanding mortgages (in all fairness) or none of the most badly damaged can remain here to help maintain a wilderness that military leaders admit "they cannot defend alone."

Sincerely,

Mrs. CAL BASHAW.

U. S. SENATE, June 15, 1964.

Mrs. NELLIE BULLINGTON,
Secretary, Democratic Central Committee,
Grays Harbor County, Aberdeen, Wash.

DEAR NELLIE: Thank you for letting me have a copy of the Grays Harbor County Democratic Central Committee's resolution regarding Alaska reconstruction. I certainly share your concern over the grave difficulties caused by the Alaska earthquake.

My introduction of a bill to help in the reconstruction of Alaska through a retroactive insurance program got formal congressional consideration of the Alaska disaster promptly underway. I then piloted a \$23.5 million authorization

through the Senate for transitional grants to the Alaska State government, and this authorization became law on May 27, 1964.

An additional bill, S. 2881, providing relief for both the private and public sectors of the Alaska economy has just been introduced. I am pressing for fast and favorable committee action on this measure which is strongly supported by the administration.

I am convinced that the concept of my retroactive earthquake insurance proposal is sound. It would provide a fiscally responsible way for dealing with any future disasters of this nature with a coherent program. Such a program is particularly necessary for States bordering the Pacific rim. The Interior Committee heard extensive testimony on my bill which received widespread support in Washington and Alaska. But, in view of the opposition of certain segments of the insurance industry in the East, the bill's further progress at this time is doubtful.

I should like to emphasize, however, that under existing programs and new authorities likely to be approved by the Congress, the Federal Government will spend more than \$300 million in Alaska in the course of the earthquake reconstruction program.

I shall certainly see that this resolution is made a part of the Interior Committee's record of hearing on this subject.

Sincerely,

HENRY N. JACKSON, *Chairman.*

RESOLUTION OF THE GRAYS HARBOR COUNTY DEMOCRATIC CENTRAL COMMITTEE

Whereas the victims of the quake disaster in Alaska wage a mighty struggle to rebuild their homes, businesses, and way of life; and

Whereas many people were owing a substantial mortgage on their property lost or destroyed; and

Whereas Mr. Eugene Foley, Administrator of the Disaster Loan Act, announced that he was making loans to Alaska earthquake victims, who have lost their homes and contents, often the lot on which the home stood, who have lost their business with its inventory and still have outstanding loans against these vanished possessions, repayable at 5-percent interest rate, which is the maximum permitted under the Disaster Loan Act; and

Whereas Senator Gruening, of Alaska, seeks a lower rate of interest for the disaster loans and points out that loans were made and had been made, to the extent of over \$1½ billion and are continuing to be made at three-fourths of 1 percent with a moratorium of 10 years on the repayment of the principal. Loans technically made to foreign governments, who are merely acting as conduits for our American dollars and to handling the money to private enterprises in their country. The three-fourths of 1 percent is called a service charge. Thus a precedent for similar action at home has been established; and

Whereas Senator Gruening's plea is that Americans should get as good a deal as we give to foreign private enterprise under our foreign aid program and cites a partial list of 1-percent, interest-bearing loans made directly to private enterprise, which the following examples will show: Ghana, construction of smelter project made to Volta Aluminum Co., Ltd., \$55 million; Sudan American Textile, \$10 million Doro Hellenic Chemical Industry, Ltd., construction of polystyrene plastic plant, \$20 million; China Manmade Fibre Corp., \$5,300,000: Therefore be it

Resolved, That we deliver a copy of this resolution to Senator Warren G. Magnuson, Senator Henry M. Jackson, Senator Wayne Morse, Senator Maurine B. Neuberger, Senator Clinton P. Anderson, and the State convention of the Democratic Party.

NATIONAL ASSOCIATION OF MUTUAL SAVINGS BANKS,
New York, N.Y., June 10, 1964.

Hon. HENRY M. JACKSON,
*U.S. Senate,
Washington, D.C.*

DEAR SENATOR JACKSON: This is in response to your letter of June 4 and telegram of June 9 with respect to the problems and proposed legislation (S. 2881) concerning Alaskan properties damaged by the recent earthquake. I am pleased to have the opportunity to comment on these matters and to offer you precise information on the volume and status of Alaska mortgage loans held by mutual savings banks.

You will note from the attached exhibits based on a direct survey made by our national association as of April 30, 1964, that 14 mutual savings banks in 7 States held 2,778 mortgage loans in Alaska, amounting to \$61,550,000. The bulk of these loans are insured by the Federal Housing Administration and are on one- to four-family properties. Only 32 loans totaling \$884,000 were secured by properties destroyed or beyond repair. As you can see, such loans account for only a little over 1 percent of the total—both number and amount.

Our information is that 4 of the 14 savings banks, having loans in Alaska, are covered by all-risk insurance. The coverage and terms of this insurance are not precisely known to us, but in at least one case, we know that the savings bank must take every legal action to recover whatever it can directly from the borrower before insurance proceeds are disbursed.

With respect to S. 2881, we urge the adoption of the amendment offered by Senator Gruening, proposing a new section 57 authorizing the Federal National Mortgage Association to purchase FHA-insured loans, in an amount not to exceed \$10 million, on Alaskan properties destroyed or irreparably damaged as a result of the earthquake. This proposal is in line with the suggestion made in our letter of May 14, 1964, to Dr. Robert Weaver, Administrator of the Housing and Home Finance Agency, a copy of which was sent to you. As noted in that letter, current Federal actions provide relief only for those home mortgagors whose mortgage contracts happen to be held by FNMA or VA. Other home mortgagors, whose homes have been destroyed or irreparably damaged, but whose mortgage obligations are held by private lenders are being ignored. The Gruening amendment would go a long way toward correcting this inequity.

While we are aware that it is impossible to resolve all inequities arising out of tragic disasters, I hope you will agree that the Government should not knowingly discriminate among its citizens when it can readily avoid doing so. And the Gruening amendment offers an opportunity to deal more equitably with the plight of Alaskan homeowners than the proposals made and actions taken to date.

We urge the incorporation of section 57 in S. 2881, not only because of equity considerations to mortgage borrowers, but equally important because of the great needs Alaska has for expanded flows of private capital. Such capital will not be forthcoming unless private investors have confidence in the willingness and ability of the Federal Government to proceed equitably and imaginatively in dealing with emergency situations. The citizens of Alaska are able and willing to rebuild their State stronger than ever before and this can be done most effectively only through an accelerated flow of private capital.

In sum, the Gruening amendment appears eminently fair and feasible. We urge that you support it, not out of selfish concern for our industry—which you can see from the enclosed statistics stands to suffer only inconsequential losses—but out of broader considerations for the longer run welfare of Alaska and its citizens.

Thank you for your consideration of this letter.

Sincerely yours,

GROVER W. ENSLEY,
Executive Vice President.

TABLE 1.—*Mortgage loans held by mutual savings banks on properties in Alaska, Oct. 31, 1962, and Apr. 30, 1964*

[Dollar amounts in thousands]

Savings bank State	Number of banks	Total		Type of loan			
				FHA		Conventional	
		Number	Amount	Number	Amount	Number	Amount
Oct. 31, 1962:							
New York	4	911	\$23,273	911	\$23,273	-----	-----
Massachusetts	2	46	634	46	634	-----	-----
Other ¹	4	186	4,730	61	1,477	125	\$3,253
Total	10	1,143	28,637	1,018	25,384	125	3,253
Apr. 30, 1964:							
New York	5	1,489	35,153	1,489	35,153	-----	-----
Massachusetts	3	230	6,269	230	6,269	-----	-----
Washington	2	111	1,579	-----	-----	111	1,579
Other ²	4	948	18,549	415	10,444	533	8,105
Total	14	2,778	61,550	2,134	51,866	644	9,684

¹ Includes Alaska, Minnesota, Rhode Island, and Washington.² Includes Alaska, Minnesota, Rhode Island, and Pennsylvania.

NOTE.—There were no holdings of VA guaranteed loans reported. Data were obtained by a direct survey made by the National Association of Mutual Savings Banks.

TABLE 2.—*Mortgage loans held by mutual savings banks on properties located in Alaska, total and loans affected by property damage, by type of loan, and property (Apr. 30, 1964)*

[Amounts in thousands of dollars]

Type of loan and property	Total loans held		Estimated number and amount of loans affected by property damage							
	Number	Amount	Loans on property destroyed or beyond repair				Loans on property incurring lesser damage			
			Number		Amount		Number		Amount	
			Total	Percent of total held	Total	Percent of total held	Total	Percent of total held	Total	Percent of total held
FHA insured	2,134	\$51,866	28	1.3	\$777	1.5	147	6.9	\$3,711	7.2
1- to 4-family	2,132	49,496	28	1.3	777	1.6	147	6.9	3,711	7.5
Multifamily	2	2,370	-----	-----	-----	-----	-----	-----	-----	-----
VA guaranteed	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----
Conventional	644	9,684	4	.6	107	1.1	44	6.8	826	8.5
Total	2,778	61,550	32	1.2	884	1.4	191	6.9	4,537	7.4

NOTE.—See note to table 1.

SMALL BUSINESS ADMINISTRATION,
OFFICE OF THE ADMINISTRATOR,
Washington, D.C., June 18, 1964.

Hon. HENRY M. JACKSON,
U.S. Senate,
Washington, D.C.

DEAR SENATOR JACKSON: Pursuant to a request received from your office, we are glad to submit certain factual information concerning our disaster activity in Crescent City, Calif. This information has been obtained from our records as well as those of OEP and from one of the bankers in Crescent City whose bank participated with SBA in loans to disaster victims.

Data received from OEP indicates that 55 homes were completely destroyed and that 21 suffered serious damage. We find these figures are not out of line with our own early estimates of home damage.

Through the present date we have made three loans to homeowners who occupied their own home and one other loan to an applicant who had lost four rental properties. It should be noted that these have been the only applications filed to date and the loans were approved in each instance. No loans have been declined to a homeowner to date and no applications are pending. Other than the cases mentioned, none of our west coast offices reflects any applications for disaster loans to homeowners from the States of Washington or Oregon as a result of the Alaska disaster.

In an effort to determine the lack of applications from homeowners in Crescent City we have been informed that at least 20 to 30 of the homes destroyed or seriously damaged were substandard rental homes which, if replaced, would require much higher rental rates; that some of the properties are located in an area presently involved in an urban renewal program, and in one situation a six-unit apartment building is tied up in an estate. We also have been advised that there is some absentee ownership.

While there is no activity in applications for home loans at the present time there could be at a later date, and Mr. Eugene P. Foley, Administrator, wants to assure you that he will provide those homeowners in Crescent City, Calif., who suffered damage as a result of the March 27 earthquake with 30-year loans as has been done in Alaska for homeowners affected by the same disaster, using our 20-year maturity plus our 10 years for orderly liquidation of the unpaid balance. This will require a balloon payment of approximately 44 percent of the loan at the end of 20 years and refinancing of the amount should be available without difficulty. If it is not available for any reason, then SBA could work out an equitable repayment plan. Mr. Foley's disposition to provide this 30-year maturity to Crescent City is due to the fact that its disaster was caused by the Alaska earthquake.

A copy of the Federal Register concerning our disaster declaration is enclosed. I trust the foregoing furnished the desired information. If we can be of further assistance, please advise.

With kind regards, I am,
Sincerely,

ROSS D. DAVIS, *Executive Administrator.*



LEGISLATIVE HISTORY

Public Law 88-451
S. 2881

TABLE OF CONTENTS

Index and summary of S. 2881	.1
Digest of Public Law 88-451	.2

INDEX AND SUMMARY OF S. 2881

May	28, 1964	Sen. Bartlett introduced and discussed S. 2881 which was referred to the Senate Interior and Insular Affairs Committee. Print of bill and remarks of author.
		Rep. Rivers (Alaska) introduced H. R. 11438 which was referred to the House Interior and Insular Affairs Committee. Print of bill as introduced.
June	3, 1964	Sen. Gruening inserted testimony in support of S. 2881.
June	5, 1964	Sen. Gruening submitted proposed amendment to S. 2881, and criticized rate of interest on loans to Alaskan earthquake victims.
June	9, 1964	Sen. Gruening submitted a proposed amendment.
June	11, 1964	House subcommittee voted to report H. R. 11438.
June	16, 1964	Senate committee voted to report S. 2881.
June	18, 1964	House committee voted to report H. R. 11438.
June	25, 1964	Senate committee reported S. 2881 with amendments. S. Report No. 1117. Print of bill and report.
June	29, 1964	Senate began debate on S. 2881.
		House committee reported H. R. 11438 with amendments. H. Report No. 1521. Print of bill and report.
June	30, 1964	Senate passed S. 2881 as reported.
July	1, 1964	Reps. Albert, Halleck and Pelly discussed S. 2881.
July	21, 1964	House passed H. R. 11438 under suspension of the rules; then passed S. 2881 with amendment (inserting language of H. R. 11438).
		H. R. 11438 laid on table due to passage of S. 2881
July	23, 1964	Senate considered S. 2881 but took no action.
July	24, 1964	Senate conferees were appointed.
July	28, 1964	House conferees were appointed.
Aug.	4, 1964	Conferees agreed to file a report.

INDEX AND SUMMARY OF S. 2881, cont'd

Aug.	6, 1964	House received conference report on S. 2881. H. Report No. 1710. Print of report.
Aug.	7, 1964	House agreed to conference report.
Aug.	8, 1964	Senate agreed to conference report.
Aug.	19, 1964	Approved: Public Law 88-451.

DIGEST OF PUBLIC LAW 88-451

AMENDMENTS TO ALASKA OMNIBUS ACT.

Provides for a program of assistance to Alaska for the reconstruction of areas damaged by the earthquake of March 27, 1964, and subsequent seismic waves. Authorizes the Secretary of Agriculture to compromise or release such portion of a borrower's indebtedness under programs administered by the Farmers' Home Administration in Alaska as he finds necessary because of loss resulting from the earthquake and subsequent seismic waves, and authorizes him to refinance outstanding indebtedness of these and other farmers and rural residents similarly damaged. Authorizes the Secretary of Agriculture to compromise or release such portion of a borrower's indebtedness under programs administered by the Rural Electrification Administration in Alaska as he finds necessary because of loss, destruction, or damage of property resulting from the earthquake and subsequent seismic waves.

88TH CONGRESS
2D SESSION

S. 2881

IN THE SENATE OF THE UNITED STATES

MAY 28 (legislative day, MARCH 30), 1964

Mr. BARTLETT (for himself, Mr. JACKSON, Mr. MAGNUSON, and Mr. GRUENING) introduced the following bill; which was read twice and referred to the Committee on Interior and Insular Affairs

A BILL

To amend the Alaska Omnibus Act to provide assistance to the State of Alaska for the reconstruction of areas damaged by the earthquake of March 1964 and subsequent seismic waves, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*
3 That this Act may be cited as the "1964 Amendments to
4 the Alaska Omnibus Act".

5 SEC. 2. The Congress hereby recognizes that the State
6 of Alaska has experienced extensive property loss and dam-
7 age as a result of the earthquake of March 27, 1964, and
8 subsequent seismic waves, and declares the need for special
9 measures designed to aid and accelerate the State's efforts

1 in providing for the reconstruction of the areas in the State
2 devastated by this natural disaster.

3 SEC. 3. Section 21 of the Alaska Omnibus Act (73
4 Stat. 145) is amended by adding a new subsection (f) to
5 read as follows:

6 “(f) Notwithstanding the limitation contained in sub-
7 section (f) of section 120 of title 23, United States Code,
8 the Secretary of Commerce is authorized to make expendi-
9 tures from the emergency fund under section 125 of such
10 title for the repair or reconstruction of highways on the
11 Federal-aid highway systems of Alaska which have been
12 damaged or destroyed by the 1964 earthquake and subse-
13 quent seismic waves, in accordance with the Federal share
14 payable under subsection (a) of section 120 of such title.
15 The increase in expenditures resulting from the difference
16 between the Federal share authorized by this subsection
17 and that authorized by subsection (f) of section 120 of such
18 title shall be reimbursed to the emergency fund by an appro-
19 priation from the general fund of the Treasury: *Provided*,
20 That such increase in expenditures shall not exceed \$15,-
21 000,000 in the aggregate.”

22 SEC. 4. The Alaska Omnibus Act (73 Stat. 141) is
23 amended by adding the following new sections at the end
24 of section 50 thereof:

1 “NEW FEDERAL LOAN ADJUSTMENTS

2 “SEC. 51. (a) The Secretary of Agriculture is author-
3 ized to compromise or release such portion of a borrower's
4 indebtedness under programs administered by the Farmers
5 Home Administration in Alaska as he finds necessary be-
6 cause of loss resulting from the 1964 earthquake and subse-
7 quent seismic waves, and he may refinance outstanding in-
8 debtedness of applicants in Alaska for loans under section
9 502 of the Housing Act of 1949 for the repair, reconstruc-
10 tion, or replacement of dwellings or farm buildings lost, de-
11 stroyed, or damaged by such causes and securing such out-
12 standing indebtedness. Such loans may also provide for the
13 purchase of building sites, when the original sites cannot
14 be utilized.

15 “(b) The Secretary of Agriculture is authorized to
16 compromise or release such portion of a borrower's indebt-
17 edness under programs administered by the Rural Electri-
18 fication Administration in Alaska as he finds necessary be-
19 cause of loss, destruction, or damage of property resulting
20 from the 1964 earthquake and subsequent seismic waves.

21 “SEC. 52. The Housing and Home Finance Admin-
22 istrator is authorized to compromise or release such portion
23 of any note or other obligation held by him with respect to
24 property in Alaska pursuant to title II of the Housing

1 Amendments of 1955 or included within the revolving fund
2 for liquidating programs established by the Independent
3 Offices Appropriation Act of 1955, as he finds necessary be-
4 cause of loss, destruction, or damage to facilities securing
5 such obligations by the 1964 earthquake and subsequent
6 seismic waves.

7 "URBAN RENEWAL

8 "SEC. 53. The Housing and Home Finance Administra-
9 tor is authorized to enter into contracts for grants not ex-
10 ceeding \$25,000,000 for urban renewal projects in Alaska,
11 including open land projects, under section 111 of the Hous-
12 ing Act of 1949, which he determines will aid the communi-
13 ties in which they are located in reconstruction and redevelop-
14 ment made necessary by the 1964 earthquake and subse-
15 quent seismic waves. Such authorization shall be in addi-
16 tion to and separate from any grant authorization contained
17 in section 103 (b) of said Act.

18 "EXTENSION OF TERM OF HOME DISASTER LOANS

19 "SEC. 54. Loans made pursuant to paragraph (1) of
20 section 7 (b) of the Small Business Act (72 Stat. 387),
21 as amended (15 U.S.C. 636 (b)), for the purpose of replac-

1 ing, reconstructing, or repairing dwellings in Alaska dam-
2 aged or destroyed by the 1964 earthquake and subsequent
3 seismic waves, may have a maturity of up to thirty years:
4 *Provided*, That the provisions of section 7 (c) of said Act
5 shall not be applicable to such loans.

6 “MODIFICATION OF CIVIL WORKS PROJECTS

7 “SEC. 55. The Chief of Engineers, under the direction of
8 the Secretary of the Army, is hereby authorized to make
9 such modifications to previously authorized civil works
10 projects in Alaska adversely affected by the 1964 earthquake
11 and subsequent seismic waves as he finds necessary to meet
12 changed conditions and to provide for current and reasonably
13 prospective requirements of the communities they serve, at
14 an estimated cost of \$10,000,000.

15 “PURCHASE OF ALASKA STATE BONDS

16 “SEC. 56. The Housing and Home Finance Adminis-
17 trator is authorized to purchase, in accordance with the pro-
18 visions of sections 202 (b), 203, and 204 of title II of the
19 Housing Amendments of 1955, the securities and obligations
20 of, or make loans to, the State of Alaska to finance any part
21 of the programs needed to carry out the reconstruction activi-

1 ties in Alaska related to the 1964 earthquake and subsequent
2 seismic waves: *Provided*, That the aggregate amount of such
3 purchase or loan shall not exceed \$25,000,000."

4 APPROPRIATION AUTHORIZATION

5 SEC. 5. There is authorized to be appropriated such sums
6 as may be necessary to carry out the provisions of this Act,
7 which shall be available for obligation until June 30, 1967.
8 There is also authorized to be appropriated such sums as may
9 be necessary for the expenses of such advisory commissions
10 or committees as the President may establish in connection
11 with the reconstruction and development planning of the
12 State of Alaska.

13 TERMINATION DATE

14 SEC. 6. The authority contained in this Act shall expire
15 on June 30, 1967, except that such expiration shall not affect
16 the payment of expenditures for any obligation or commit-
17 ment entered into under this Act prior to June 30, 1967.

A BILL

To amend the Alaska Omnibus Act to provide assistance to the State of Alaska for the reconstruction of areas damaged by the earthquake of March 1964 and subsequent seismic waves, and for other purposes.

By Mr. BARTLETT, Mr. JACKSON, Mr. MAGNUSON, and Mr. GRUENING

MAY 28 (legislative day, MARCH 30), 1964

Read twice and referred to the Committee on Interior and Insular Affairs

members, for declining to support the prejudices of the national real estate association.

Mr. MANSFIELD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The Chief Clerk proceeded to call the roll.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

JOINT MEETING OF THE TWO HOUSES—ADDRESS BY PRESIDENT EAMON DE VALERA OF IRELAND

Mr. MANSFIELD. Mr. President, I move that the Senate stand in recess subject to the call of the Chair, and that the Senate now proceed to the Hall of the House of Representatives for the purpose of hearing an address to be delivered by President Eamon de Valera.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Montana.

The motion was agreed to.

Thereupon (at 12 o'clock and 15 minutes p.m.), the Senate, preceded by its Deputy Sergeant at Arms (Robert G. Dunphy) the Chief Clerk (Emery L. Frazier), and the President pro tempore, the Senator from Arizona (Mr. HAYDEN), proceeded to the Hall of the House of Representatives for the purpose of hearing an address to be delivered by President Eamon de Valera, of Ireland.

(For the address delivered today by the President of Ireland at the joint meeting of the two Houses, see House proceedings of today, pp. 11804-11805.)

The joint meeting having been dissolved, the Senate, at 1 o'clock and 9 minutes p.m., returned to its Chamber and was called to order by the President pro tempore.

REPORT OF CIVIL AIR PATROL

The PRESIDENT pro tempore laid before the Senate a letter from the national commander, Civil Air Patrol, Inc., Ellington Air Force Base, Tex., transmitting, pursuant to law, a report of that patrol, for the calendar year 1963, which, with the accompanying paper, was referred to the Committee on Armed Services.

PETITIONS AND MEMORIALS

Petitions, etc., were laid before the Senate, and referred as indicated:

By the PRESIDENT pro tempore:

The petition of C. R. Mead, of Westport, Conn., relating to his claim for a redress of grievances; to the Committee on the Judiciary.

A resolution adopted by the 184th convention of the Diocese of New York of the Protestant Episcopal Church, New York, N.Y., favoring the enactment of H.R. 7152, the so-called civil rights bill; ordered to lie on the table.

BILLS INTRODUCED

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. HAYDEN (for himself and Mr. COOPER):

S. 2880. A bill to authorize the acquisition of certain property in square 724 in the District of Columbia for the purpose of extension of the site of the additional office building for the U.S. Senate or for the purpose of addition to the U.S. Capitol Grounds; to the Committee on Public Works.

By Mr. BARTLETT (for himself, Mr. JACKSON, Mr. MAGNUSON, and Mr. GRUENING):

S. 2881. A bill to amend the Alaska Omnibus Act to provide assistance to the State of Alaska for the reconstruction of areas damaged by the earthquake of March 1964 and subsequent seismic waves, and for other purposes; to the Committee on Interior and Insular Affairs.

(See the remarks of Mr. BARTLETT when he introduced the above bill, which appear under a separate heading.)

RESOLUTION

EXPRESSION OF REGRET ON DEATH OF JAWAHARLAL NEHRU OF INDIA

Mr. HUMPHREY (for himself, Mr. MANSFIELD, Mr. DIRKSEN, and Mr. COOPER) submitted a resolution (S. Res. 333) expressing regret on the death of Jawaharlal Nehru of India, which was considered and agreed to.

(See the above resolution printed in full when submitted by Mr. HUMPHREY, which appears under a separate heading.)

THE 1964 AMENDMENTS TO THE ALASKA OMNIBUS ACT

Mr. BARTLETT. Mr. President, the administration and the Congress have given magnificent support and inspiration to Alaskans stricken by the devastating Good Friday earthquake in Alaska through passage of legislation and appropriation of funds which will go a long way in rebuilding Alaska's economy.

In that connection I note that a few minutes ago the Senate passed a deficiency bill which contains an appropriation of more than \$40 million for Alaska's reconstruction effort.

President Johnson has described what has been done in a letter sent to the House and Senate today in submitting a draft of legislation to give additional special assistance through Federal agencies. The legislation relates to highways, urban renewal, Small Business Administration loans, small boat harbors, debt adjustments, and marketing of State of Alaska bonds.

The Federal Reconstruction and Development Planning Commission for Alaska, appointed by President Johnson and headed by the distinguished senior Senator from New Mexico [Mr. ANDERSON] has studied the Alaska situation exhaustively, and this legislation, suggested by the Commission and endorsed by the President, represents the result of many meetings and discussions.

Mr. President, in the absence on official business of the able chairman of the Interior and Insular Affairs Committee [Mr. JACKSON], I introduce, for appropriate reference, a bill to amend the Alaska Omnibus Act to provide assistance to the State of Alaska for the reconstruction of areas damaged by the earthquake of March 1964 and subsequent seismic waves, and for other pur-

poses, in behalf of myself and Senators JACKSON, MAGNUSON, and GRUENING. I ask unanimous consent that President Johnson's letter to the President of the Senate dated May 27, 1964, be made a part of the RECORD at this point, together with the letter dated May 23, 1964, addressed to the President by Senator ANDERSON as chairman of the Commission, a section-by-section analysis of the bill, and the bill itself.

The message from the President submitting the draft of legislation was referred to the Public Works Committee. However, since the bill does amend the Alaska Omnibus Act which has been held a subject proper for consideration by the Interior and Insular Affairs Committee, I ask unanimous consent that the bill I introduce today be referred to the Interior and Insular Affairs Committee. This request has been cleared with the chairman of the Public Works Committee [Mr. McNAMARA].

It goes almost without saying that all Senators, including the sponsors, will want to examine the bill carefully and that amendatory language may be offered. But what I want to emphasize is that there is now before the Senate another example of President Johnson's continuing and deep concern with the Alaska situation.

The PRESIDING OFFICER (Mr. PELL in the chair). The bill will be received and appropriately referred, and, without objection, the letters, the section-by-section analysis of the bill, and the bill will be printed in the RECORD, as requested by the Senator from Alaska.

The bill (S. 2881) to amend the Alaska Omnibus Act to provide assistance to the State of Alaska for the reconstruction of areas damaged by the earthquake of March 1964 and subsequent seismic waves, and for other purposes, introduced by Mr. BARTLETT (for himself and other Senators) was received, read twice by its title, referred to the Committee on Interior and Insular Affairs, and ordered to be printed in the RECORD, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "1964 Amendments to the Alaska Omnibus Act".

SEC. 2. The Congress hereby recognizes that the State of Alaska has experienced extensive property loss and damage as a result of the earthquake of March 27, 1964, and subsequent seismic waves, and declares the need for special measures designed to aid and accelerate the State's efforts in providing for the reconstruction of the areas in the State devastated by this natural disaster.

SEC. 3. Section 21 of the Alaska Omnibus Act (73 Stat. 145) is amended by adding a new subsection (f) to read as follows:

"(f) Notwithstanding the limitation contained in subsection (f) of section 120 of title 23, United States Code, the Secretary of Commerce is authorized to make expenditures from the emergency fund under section 125 of such title for the repair or reconstruction of highways on the Federal-aid highway systems of Alaska which have been damaged or destroyed by the 1964 earthquake and subsequent seismic waves, in accordance with the Federal share payable under subsection (a) of section 120 of such title. The increase in expenditures resulting from the difference between the Federal share authorized by this subsection and that authorized by subsection (f) of section 120

of such title shall be reimbursed to the emergency fund by an appropriation from the general fund of the Treasury: *Provided*, That such increase in expenditures shall not exceed \$15 million in the aggregate."

SEC. 4. The Alaska Omnibus Act (73 Stat. 141) is amended by adding the following new sections at the end of section 50 thereof:

"NEW FEDERAL LOAN ADJUSTMENTS

"SEC. 51. (a) The Secretary of Agriculture is authorized to compromise or release such portion of a borrower's indebtedness under programs administered by the Farmers Home Administration in Alaska as he finds necessary because of loss resulting from the 1964 earthquake and subsequent seismic waves, and he may refinance outstanding indebtedness of applicants in Alaska for loans under section 502 of the Housing Act of 1949 for the repair, reconstruction, or replacement of dwellings or farm buildings lost, destroyed, or damaged by such causes and securing such outstanding indebtedness. Such loans may also provide for the purchase of building sites, when the original sites cannot be utilized.

"(b) The Secretary of Agriculture is authorized to compromise or release such portion of a borrower's indebtedness under programs administered by the Rural Electrification Administration in Alaska as he finds necessary because of loss, destruction, or damage of property resulting from the 1964 earthquake and subsequent seismic waves.

"SEC. 52. The Housing and Home Finance Administrator is authorized to compromise or release such portion of any note or other obligation held by him with respect to property in Alaska pursuant to title II of the Housing Amendments of 1955 or included within the revolving fund for liquidating programs established by the Independent Offices Appropriation Act of 1955, as he finds necessary because of loss, destruction, or damage to facilities securing such obligations by the 1964 earthquake and subsequent seismic waves.

"URBAN RENEWAL

"SEC. 53. The Housing and Home Finance Administrator is authorized to enter into contracts for grants not exceeding \$25 million for urban renewal projects in Alaska, including open land projects, under section 111 of the Housing Act of 1949, which he determines will aid the communities in which they are located in reconstruction and redevelopment made necessary by the 1964 earthquake and subsequent seismic waves. Such authorization shall be in addition to and separate from any grant authorization contained in section 103(b) of said Act.

"EXTENSION OF TERM OF HOME DISASTER LOANS

"SEC. 54. Loans made pursuant to paragraph (1) of section 7(b) of the Small Business Act (72 Stat. 387), as amended (15 U.S.C. 636(b)) for the purpose of replacing, reconstructing, or repairing dwellings in Alaska damaged or destroyed by the 1964 earthquake and subsequent seismic waves, may have a maturity of up to thirty years: *Provided*, That the provisions of section 7(c) of said Act shall not be applicable to such loans.

"MODIFICATION OF CIVIL WORKS PROJECTS

"SEC. 55. The Chief of Engineers, under the direction of the Secretary of the Army, is hereby authorized to make such modifications to previously authorized civil works projects in Alaska adversely affected by the 1964 earthquake and subsequent seismic waves as he finds necessary to meet changed conditions and to provide for current and reasonably prospective requirements of the communities they serve, at an estimated cost of \$10 million.

"PURCHASE OF ALASKA STATE BONDS

"SEC. 56. The Housing and Home Finance Administrator is authorized to purchase, in

accordance with the provisions of sections 202(b), 203, and 204 of title II of the Housing Amendments of 1955, the securities and obligations of, or make loans to, the State of Alaska to finance any part of the programs needed to carry out the reconstruction activities in Alaska related to the 1964 earthquake, and subsequent seismic waves: *Provided*, That the aggregate amount of such purchase or loan shall not exceed \$25 million."

APPROPRIATION AUTHORIZATION

SEC. 5. There is authorized to be appropriated such sums as may be necessary to carry out the provisions of this Act, which shall be available for obligation until June 30, 1967. There is also authorized to be appropriated such sums as may be necessary for the expenses of such advisory commissions or committees as the President may establish in connection with the reconstruction and development planning of the State of Alaska.

TERMINATION DATE

SEC. 6. The authority contained in this Act shall expire on June 30, 1967, except that such expiration shall not affect the payment of expenditures for any obligation or commitment entered into under this Act prior to June 30, 1967.

The letters and analysis presented by Mr. BARTLETT are as follows:

THE WHITE HOUSE,
May 27, 1964.

DEAR MR. PRESIDENT: The State of Alaska and the people of Alaska, aided by voluntary agencies and the Federal Government, have begun to rebuild from the ruins of the devastating earthquake of March 27. But new legislative authority is urgently needed to provide the additional special assistance essential to their reconstruction efforts. I am today, therefore, sending to the Congress draft legislation to provide this authority.

Immediately following the earthquake, we moved quickly to assist Alaska and its people. Under existing programs and new authorities proposed in this draft bill, the Federal Government is estimated to spend over \$275 million in Alaska in the course of the earthquake reconstruction program.

Major items in this estimate include \$80 million of grants under the existing authority of the Office of Emergency Planning for restoring public facilities and debris clearance; over \$75 million for restoration of Federal facilities; over \$60 million in grants for highway repair; and up to \$45 million in grants for urban renewal projects. Also, legislation has already been approved by the Congress—which I will sign into law today—authorizing \$23.5 million in grants to the State to make up losses of State and local tax revenues and to insure continuity of government.

In addition, under existing law, various outstanding Federal loans are being adjusted. Federal tax refunds and reductions will be based on casualty losses, and various Federal agencies are extending credit on liberal terms. The Small Business Administration, for example, will make disaster loans on very favorable terms to assist homeowners and businesses in reconstruction.

The legislation which I am proposing—based on recommendations of the Federal Reconstruction and Development

Planning Commission for Alaska—will provide greater flexibility in Federal programs to cope with the extraordinary circumstances arising out of the earthquake. Included among the programs involved are highways, urban renewal, housing, and harbor improvements.

The enclosed letter from the Chairman of the Commission, Senator CLINTON P. ANDERSON, describes the principal features of the draft bill.

Concern for our fellow citizens alone compels prompt action on this proposal. But practical considerations are also most important. The construction season in Alaska is about to begin and is of short duration. The sooner Alaska can complete its reconstruction efforts, the sooner it can begin again to devote its efforts toward the further development of the State's resources.

Accordingly, I urge the Congress to take prompt action on the proposed legislation to facilitate Alaskan planning and reconstruction efforts during this summer's construction season.

Sincerely,

LYNDON B. JOHNSON.

FEDERAL RECONSTRUCTION AND
DEVELOPMENT PLANNING COM-
MISSION FOR ALASKA,
Washington, D.C., May 23, 1964.

The PRESIDENT,
The White House,
Washington, D.C.

DEAR MR. PRESIDENT: I am enclosing a draft of a bill "To provide assistance to the State of Alaska in providing for the reconstruction of areas damaged by the earthquake of March 1964, and subsequent seismic waves, and for other purposes," and a section-by-section analysis.

This legislation is an outgrowth of the considerations of this Commission since the Alaskan earthquake of March 1964. Its purpose is to provide needed special assistance to the State and its people in their reconstruction efforts. The Commission has found that special Federal assistance in the form of legislation is needed now for highways, urban renewal, harbors, housing, and State finances. Areas requiring additional legislation may become apparent at a later time and may be proposed then.

The draft legislation amends the Alaska Omnibus Act and is limited in scope to Alaska and the disaster area. It recognizes (1) that the recent disaster caused extensive property loss and damage in the private and public sector; and (2) that this damage has severely restricted and drained the State's resources.

HIGHWAYS

To provide the special assistance needed to repair and reconstruct the nonforest, Federal-aid highways damaged by the earthquake, the draft legislation would authorize an increase in the Federal share of the cost of reconstruction from the present 50 percent to 94.9 percent as provided in the bill, and an appropriation not to exceed \$15 million to cover the increase. The higher percentage is now applicable to new Federal-aid highway construction in Alaska.

Current estimates indicate that up to \$36 million will be required to reconstruct these highways in the disaster area. Under existing law, the State's share of this estimated cost would be one-half this amount. Even with the enactment of pending legislation making transitional grants available to the State, Alaska could not pay its share of highway reconstruction and carry out its other disaster-oriented programs.

DEBT ADJUSTMENTS

A preliminary private real property survey indicates that the private loss, as a result of the recent earthquake and subsequent seismic waves, is about \$77 million. The Department of Agriculture, through the Farmers Home Administration and the Rural Electrification Administration, would be authorized by this draft bill to adjust the indebtedness of some of their borrowers to enable them to overcome losses suffered from the earthquake. It would also authorize the refinancing of the outstanding indebtedness of these and other farmers and rural residents similarly damaged. This draft legislation would provide similar debt adjustment authority to the Housing and Home Finance Administrator. These provisions place the programs of the Department of Agriculture and the HHFA on the same general footing as other Federal loan programs which now are authorized to adjust their borrowers' indebtedness under disaster conditions.

URBAN RENEWAL

A number of communities in the disaster area of Alaska are considering or have made applications for urban renewal projects. These are: Anchorage, Homer, Kodiak, Seldovia, Seward, and Valdez. Currently available, but very preliminary, estimates indicate that the total cost of these projects may be as high as \$59 million. The Federal share of this cost would be about \$45 million. This share is made up of 75 percent of the project costs plus 100 percent of relocation costs, which is the usual formula for cities of this size.

The Commission gave very serious consideration to the question of whether the Federal grant share should be increased above 75 percent for projects directly related to the earthquake. While recognizing the straitened circumstances of the communities themselves, I believe this increase was not justified on the basis of the available estimates of costs and resources. The preliminary cost figures, admittedly highly tentative, raise substantial questions as to whether the magnitude of the proposed projects is necessary to effect recovery from the effects of the earthquake. At the same time, it seems reasonable to expect the State to provide substantial assistance to the communities in meeting their local share. The draft bill authorizes the purchase by the Federal Government of \$25 million of State bonds for this purpose among others.

The bill would authorize the Housing and Home Finance Administrator to enter into contracts for urban renewal projects in Alaska up to a maximum of \$25 million. The recent disaster makes it essential that this additional contract authority be requested for use in Alaska at this time. To the extent that additional grant funds may be needed to carry out these projects, they would be made available from regular urban renewal grant authorizations.

LOANS

As indicated above, a number of homes in Alaska were damaged or destroyed or in some cases even lost. The Small Business Administration now has authority to make disaster loans to the homeowners with a maximum maturity of 20 years. Since these loans may include some portion of the existing indebtedness on damaged or destroyed homes, as well as the cost of rebuilding these homes, the draft bill would authorize the making of such loans for a maximum period of 30 years.

HARBORS

The draft legislation would authorize the Corps of Engineers to make modifications in previously authorized civil works projects in Alaska, where it is found that such modifications are necessary to overcome the adverse effects of the earthquake. These modifica-

tions would include such reasonable expansions in the harbors that may be economically feasible to meet the prospective needs of the communities. The estimated cost is \$10 million.

STATE FINANCES

The State legislature has authorized a \$50 million bond issue to help finance capital projects related to reconstruction from the earthquake. It is expected that for the next 2 years the State will be faced with high capital investment requirements which will add to the State's financial burden.

While the Commission does not expect that all of the \$50 million would be needed now, it appears that one-half or more may be required to supplement the State's revenues and the extended transition grants in order to meet the Federal assistance for major reconstruction and rehabilitation projects over the next 2 years. The draft bill provides Federal assistance in marketing up to \$25 million of these State of Alaska bonds. The Housing and Home Finance Administrator would purchase these bonds with funds now available in the public facility loan revolving fund. The bonds would be sold in the private market, or refunded in the private market by the State, as soon as its regular credit is restored. The State would receive from HHFA the more favorable interest rate for public bodies in redevelopment areas (currently 3½ percent), and principal repayment might be deferred for a few years from the date of the loan or purchase of the bonds.

The agencies represented by the Commission have devoted considerable time and effort in developing this draft bill. There is an urgent need for this legislation. The short construction season requires the initiation of construction as soon as possible in order to permit Alaska to prepare for next winter. It is the belief of the Commission that the bill proposes fiscally responsible means of providing special assistance to the State's reconstruction efforts which must proceed as rapidly as possible. The proposed bill has been reviewed by the interested departments and agencies and the Bureau of the Budget has received their concurrence. Pursuant to the meetings of May 8 and 22, 1964, of the Commission, it is recommended that this legislation be submitted to the Congress for early action.

Respectfully yours,

CLINTON P. ANDERSON,
Chairman.

SECTION-BY-SECTION ANALYSIS OF THE 1964 AMENDMENTS TO THE ALASKA OMNIBUS ACT

SECTION 1

The short title of the proposed bill is the "1964 Amendments to the Alaska Omnibus Act."

SECTION 2

This section recognizes the national concern over the 1964 Alaskan earthquake and the resultant damage. It also recognizes that there is an urgent need to provide special assistance to the State in carrying out its own efforts toward reconstruction and rehabilitation.

SECTION 3

This section amends section 21 of the Alaska Omnibus Act by adding at the end thereof a new subsection (f).

It is currently estimated that the repair or reconstruction of highways in Alaska damaged by the recent earthquake may cost up to \$65 million. These highways are essential to the economic well-being of the State.

Some of the highways affected are forest highways. The cost of repair and reconstruction of these highways may run to \$29 million and can be accomplished under existing authority with 100 percent Federal funds.

It is estimated that up to \$36 million will be required to repair or reconstruct the Federal-aid highways in the disaster area of the State. Under existing law the cost of repair or reconstruction of Federal-aid highways is shared on a 50-50 basis by the Federal and State Governments. Thus, Alaska's share of the highway reconstruction cost would be \$18 million. If this were new construction, the Federal share would be 94.9 percent because of the so-called sliding scale provisions applicable to Federal-aid highways located in States wherein the unappropriated and unreserved public lands and nontaxable Indian lands, individual and tribal, exceed 5 percent of the total area of all lands therein (1961 statistics show the total acreage of Alaska to be 365,481,600 acres of which 337,497,545 acres are part of the public domain or about 90 percent of the total acreage in the State).

This new subsection is designed to increase the Federal share of reconstruction from 50 percent to 94.9 percent of the total cost by making the sliding scale provisions of section 120(a) of title 23 applicable to these Federal-aid highways in Alaska. It limits the increase in the Federal share to not more than \$15 million in the aggregate and provides that the amount of the increase shall be reimbursed to the highway emergency fund by an appropriation from the general fund of the Treasury. The initial 50 percent of the Federal share would continue to be financed in the presently authorized manner.

In view of the dimensions of the recent disaster in Alaska and the resulting drain on the State's resources, it seems appropriate to increase the Federal share in the manner proposed in this case.

SECTION 4

This section of the proposed bill amends the Alaska Omnibus Act by adding six new sections to the existing provisions of that act.

Federal loan adjustments

Section 51(a) would authorize the Secretary of Agriculture to make adjustments in indebtedness of farmers and rural residents who are borrowers of the Farmers Home Administration to enable them to have a reasonable opportunity to overcome losses suffered from the earthquake and become reestablished on a sound basis. It would also provide authority for refinancing these and other farmers and rural residents similarly damaged. This authority is intended to apply to communities of 2,500 persons or less, as the Small Business Administration will handle such refinancing in larger communities.

When geological surveys determine the original building site to be unusable, Farmers Home Administration would be authorized to include funds in the loans for purchase of a replacement building site.

The Farmers Home Administration has loans outstanding with 200 families in Alaska, totaling approximately \$4 million. These families could not obtain credit from other sources at the time they received their loans. Therefore, such families who suffered damage or loss to their real or chattel property and partial or total loss of income for an indefinite period ordinarily would be unable to recover from their losses without an adjustment in their debts. Special assistance of the type provided in this section of the proposed bill would be necessary for some of these families to recover from this disaster.

Section 51(b) would authorize the Secretary of Agriculture to adjust indebtedness of borrowers in Alaska from the Rural Electrification Administration as he finds necessary because of property loss directly resulting from the earthquake. It is intended that such adjustments would not take into account loss of revenue.

The Rural Electrification Administration has loans outstanding in Alaska to nine electric cooperatives aggregating \$76,362,468, and to two public bodies aggregating \$2,479,000. There is also one loan outstanding to a telephone cooperative in the amount of \$1,863,000. Preliminary reports indicate that substantial damage has been sustained by two electric cooperatives—Chugach Electric Association, Anchorage, with a loan commitment in the amount of \$47,494,000, and Kodiak Electric Association, Kodiak, with a loan commitment in the amount of \$1,555,000. Funds actually advanced to these two systems total \$31,957,436, and the outstanding balance of principal and accumulated interest owed by them is \$29,322,611.

An appraisal of the damage is now underway as is a determination of their ability to repay the outstanding balances of their loans and to carry the additional debt which will be required to finance the reestablishment of their systems on an economically feasible basis. Special assistance of the type provided in this proposal in an amount not yet determined may be necessary to facilitate the restoration and repair of facilities damaged or destroyed as a result of the earthquake.

It is intended that the authorities in section 51 would be used despite any restrictive provisions of existing law relating to compromises, settlements, or adjustments of borrower's indebtedness under these programs.

Section 52 would authorize the Housing and Home Finance Administrator to compromise or release such portion of any obligations which he holds in Alaska under the public facility loan program or under the revolving fund for liquidating programs, to the extent he finds that such relief is necessary because the facilities securing these obligations have been substantially damaged by the recent earthquake. Presently, the Administrator has no authority to provide any relief in situations such as this, beyond the rescheduling of required loan payments.

Under the revolving fund for liquidating programs, the Housing Administrator holds obligations received in three programs which are now no longer operative: The Alaska housing loan program, the public agency loan program (RFC), and the prefabricated housing loan program. There has been extensive damage, estimated to total about \$1.5 million, to two projects financed under the Alaska housing loan program. These are the McKinley Apartments and the "1200 L" Apartments, high-rise projects in downtown Anchorage. The mortgages on these properties are pledged by the Alaska State Housing Authority to the Administrator as part of the security for the Federal loan it received under the Alaska housing loan program for the financing of these apartments. It is not yet certain whether the damage to these properties will prevent the authority from making full payment of its Federal obligation.

The effect of sections 51 and 52 will be to place these programs in Alaska on the same general footing as other Federal loan programs which presently adjust their borrowers' indebtedness under disaster conditions.

It should be noted that the disaster relief authority of the Office of Emergency Planning may be able to accomplish some of the objectives of sections 51(b) and 52 and section 53 below. It is expected that such authority would be used to the maximum extent possible in such cases.

Urban renewal

Section 53 would authorize the Housing and Home Finance Administrator to enter into contracts for urban renewal projects in Alaska up to a maximum of \$25 million under title I of the Housing Act of 1949. This authorization would be available only in connection with projects which he finds

will directly aid in the reconstruction and redevelopment of the areas in Alaska that were substantially damaged or destroyed by the recent disaster. While housing legislation pending in the Congress provides for an increase in existing urban renewal grant authority, the recent disaster makes it essential that some additional contract authority be requested for use in Alaska in advance of the enactment of the pending legislation.

A number of communities in the disaster area of Alaska are considering or have made applications for urban renewal projects. These are Anchorage, Homer, Kodiak, Seidovia, Deward, and Valdez. Currently available estimates indicate that the total cost of these projects may be \$59 million. The Federal share of this cost would be about \$45 million. This share is made up of 75 percent of the project costs plus 100 percent of relocation costs, which is the usual formula for cities of this size.

Since planning of all these projects is still underway by the local communities, the estimates of costs are highly tentative and may be revised substantially downward. In any event the \$25 million additional grant authority proposed in the bill would be sufficient to proceed on a timely basis and to take advantage of the forthcoming construction season which in Alaska is extremely short. To the extent that additional grant funds may be needed to carry out these projects, they would be made available from regular urban renewal grant authorizations.

While it is recognized that these communities may lack sufficient funds as a result of the earthquake to meet the local share, it is expected that the State will assist these communities in meeting their share through the marketing of its bonds. In this connection, provision is made in section 56 of this bill for the Housing and Home Finance Administrator to purchase up to \$25 million of Alaska State bonds or to make loans in that amount to assist the State's reconstruction effort.

The earthquake has created exceptional circumstances which may make it necessary to relocate the town of Valdez on open land some distance from the present site. Existing urban renewal law does not authorize the making of grants for projects consisting of open land, since it was anticipated that such projects, not involving any demolition of structures, could be carried out without cost. It is possible, however, that grants may be required if Valdez is relocated.

Section 53 would therefore authorize the Administrator to make grants for urban renewal projects consisting of open land in the disaster area. It is expected that the use of this authority will be limited to the possible relocation of Valdez.

Extension of term of home disaster loans

Section 54 would authorize the Administrator of the Small Business Administration to make loans, in accordance with the provisions of section 7(b)(1) of the Small Business Act, for the repair or reconstruction of homes destroyed or damaged in Alaska by the recent earthquake for a maximum period of 30 years. In making such loans, however, the Administrator could not extend the maturity date, as provided in section 7(c) of the act, for an additional 10 years. Presently, all loans made under section 7(b)(1) of the act must mature in 20 years or less; section 7(c) authorizes an extension for an additional 10 years or less for the orderly liquidation of the loan, if needed.

Modifications of civil works projects

Section 55 would authorize the Secretary of the Army through the Chief of Engineers to modify existing civil works projects in Alaska to meet the changed conditions brought about by the recent earthquake and the current and prospective needs of the communities affected by these projects. Ex-

isting projects may be expanded where economically feasible and if the most economic method for construction of the expansion is concurrent with, or in lieu of, replacement of the damaged installation.

Purchase of State bonds

Section 56 would authorize the Housing and Home Finance Administrator to purchase, in accordance with the applicable provisions of the existing public facility loan program and from funds available in the public facility loan revolving fund, up to \$25 million of State of Alaska bonds issued to finance the State's share of earthquake reconstruction projects. Alternatively, the Administrator could make a loan to the State for this purpose.

These bonds would have a maximum maturity of 40 years. It is contemplated that the State would receive the more favorable interest rate available to public bodies in redevelopment areas from HHFA (currently 3½ percent), and that the State would be able to improve on this rate in the private market within 2 years. It is further contemplated that the first principal repayment might be deferred for a few years after the granting of the loan or the purchase of the bonds. The exact repayment schedule would be determined by the Administrator, taking into account the probable future capacity of Alaska to meet these principal repayments. As soon as the State's regular credit standing is restored, the bonds would either be sold in the private market by the Federal Government, or refunded in the private market by the State.

Shortly after the Alaskan earthquake, the State legislature authorized a \$50 million bond issue to help finance reconstruction, recovery, and some other capital projects. Since this action, the State authorities have tended to the view that the authorized bonds are unmarketable except at prohibitive interest costs.

There is no question that the State of Alaska—even with the favorable proposals for Federal assistance—will be faced in the next 2 years with abnormally high capital investment requirements, but with a temporary decline in investor interest in the State's obligations. The result, without further assistance, would be to require the State to pay high interest rates which cannot be justified over the long run and which would add to the State's financial burdens.

While it is not expected that all of the \$50 million would have to be offered in connection with the present disaster, it appears that one-half or more may be required to supplement the State's revenues and extended transition grants in order to carry out its share of major reconstruction and rehabilitation projects, such as highways and urban renewal. It is expected that up to \$14 million of the bonds would be used by the State to assist the local communities in meeting their share of urban renewal projects contemplated in the disaster area. Federal assistance in marketing this portion of the \$50 million seems warranted to insure the success of other Federal proposals to aid the State's reconstruction efforts.

If the bonds are bought by the Federal Government as proposed in this bill, it should be possible within a reasonably short time for them to be resold or refinanced in the private market. As a result:

- (a) Alaska's temporary needs would be met;
- (b) No penalty interest costs would be involved; and
- (c) The Federal Government's cost could be recovered as soon as it was no longer needed.

SECTION 5

This section authorizes the appropriation of necessary funds to the various agencies

to carry out the provisions of this bill. The appropriations would be made available for obligation until June 30, 1967. This should provide sufficient time for the State to take advantage of the special Federal assistance made available by this bill.

Section 5 would also authorize appropriations for such advisory commissions or committees as the President may establish in connection with Alaskan reconstruction and development planning. It is intended that this authority would be available for the expenses of the existing Federal Reconstruction and Development Planning Commission for Alaska.

SECTION 6

This section provides for the termination on June 30, 1967, of the authorities contained in this bill. It is recognized, however, that certain projects may not be completed then, and provision is made for expenditures on approved projects beyond that date.

CIVIL RIGHTS — AMENDMENTS — (AMENDMENTS NOS. 657 THROUGH 676)

Mr. SPARKMAN. Mr. President, I send to the desk sundry amendments to the bill (H.R. 7152) to enforce the constitutional right to vote, to confer jurisdiction upon the district courts of the United States to provide injunctive relief against discrimination in public accommodations, to authorize the Attorney General to institute suits to protect constitutional rights in public facilities and public education, to extend the Commission on Civil Rights, to prevent discrimination in federally assisted programs, to establish a Commission on Equal Employment Opportunity, and for other purposes, and ask that they be printed, lie on the table, and be considered read for all purposes in connection with the bill.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendments are as follows:

AMENDMENT No. 657

On page 9, line 20, immediately after the word "instituted", insert a comma and the following: "upon the execution and filing by the plaintiff of proper bond to assure the defendant against loss or damage by reason of any injunction or order improvidently granted."

AMENDMENT No. 658

On page 9, line 24, strike out the words "this title", and insert in lieu thereof the words "subsection (a)".

On page 10, after line 24, insert the following new subsection:

"(f) Whenever any action has been instituted under subsection (a) by or on behalf of any person who has made complaint alleging a violation or threatened violation of section 203 by the defendant therein, and final judgment in such action has been entered in favor of the defendant, such defendant shall be entitled to recover from such person, by action instituted in any State or United States court of competent jurisdiction, the amount of any damages sustained by such defendant by reason of the institution and prosecution of such action under subsection (a). If, in any action for the recovery of damages under this subsection, it is determined that the defendant therein instituted or caused to be instituted such action under subsection (a) with malice and with intent to injure the defendant in such action in his business, profession, or occupation, the plaintiff in such action under this subsection for the

recovery of damages shall be entitled to recover threefold the amount of the damages so sustained by him and reasonable attorney's fee."

AMENDMENT No. 659

On page 9, line 14, immediately after the period, insert the following new sentence: "No lawful action taken by any person to protect, defend, or enforce any right, privilege, or remedy conferred upon him or secured by the Constitution or any statute of the United States or by valid law of any State or political subdivision thereof shall be held to be in violation of this section."

AMENDMENT No. 660

On page 8, line 17, immediately after the period, insert the following new sentence: "Nothing contained in this title shall prevent any person from seeking, or any State or political subdivision from providing, police protection for (1) the life, safety, or property of any person, or (2) the prevention or suppression of any riot, rebellion, or other disturbance of the peace."

AMENDMENT No. 661

On page 8, line 9, immediately after the period, insert the following new sentence: "Such term does not include any activity or transaction which is wholly intrastate in character."

AMENDMENT No. 662

On page 6, line 22, immediately after the word "facility", insert the words "not situated within the residence of the operator or proprietor thereof, if such facility is".

AMENDMENT No. 663

On page 43, strike out all in lines 3-7, inclusive and insert in lieu thereof the following:

"(g) Nothing contained in this Act shall confer upon any court any jurisdiction with respect to any subject or matter withdrawn from the jurisdiction of that court by any provision of the Act entitled 'An Act to amend the Judicial Code and to define and limit the jurisdiction of courts sitting in equity, and for other purposes,' approved March 23, 1932 (29 U.S.C. 101-115), commonly known as the Norris-La Guardia Act."

AMENDMENT No. 664

On page 11, line 22, immediately after the word "being", insert the word "unlawfully".

AMENDMENT No. 665

On page 18, after line 23, insert the following new section:

"SEC. 410. The expulsion or exclusion of any individual or group of individuals from any public school or public college, or any class within any such school or college, for any of the reasons listed hereinafter shall not for any purpose be deemed to constitute a failure to achieve desegregation or a denial of equal educational opportunity by reason of race, color, religion, or national origin—

"(1) failure to attain or maintain the minimum standard of academic achievement required of other individuals and groups for admission or continuance as students in such school, college, or class;

"(2) failure to conform to the standards of conduct and self-discipline imposed by such school, college, or class with respect to other individuals and groups who are students therein;

"(3) commission or threatened commission of acts of violence against or upon other students or teachers or administrators of such school, college, or class;

"(4) commission of criminal offenses, or

engaging in conduct prejudicial to the maintenance of high moral standards within such school, college, or class; or

"(5) participation in any riot, insurrection, strike, boycott, or other physical disturbance or sanction directed at the administration, personnel, or policies of such school, college, or class or of any school board administering or supervising such school, college, or class."

AMENDMENT No. 666

On page 18, line 3, immediately after the period, insert the following: "No action under this section may be instituted against any school board within any State until (1) there has been transmitted to the Attorney General or chief legal officer of that State a written notice containing a full and complete statement of the facts and circumstances upon which the Attorney General of the United States relies in support of his claim for relief against such board, and (2) such chief legal officer of that State has been accorded reasonable opportunity to procure compliance by such board with the requirements of law with respect to the complaint made against such board. In any action so instituted against any such board of any State, the Attorney General or chief legal officer of such State shall be entitled as of right to intervene as an interested party."

AMENDMENT No. 667

Beginning with the word "in" in line 20, page 17, strike out all to and including the word "and" in line 21, page 17, and insert in lieu thereof the words "against the school board as to which complaint was made in the district court of the United States for the judicial district in which such board has its principal office".

AMENDMENT No. 668

On page 12, line 1, immediately after the word "managed", insert "for use by the general public".

AMENDMENT No. 669

On page 6, line 8, immediately after the word "segregation", insert the words "based exclusively".

AMENDMENT No. 670

Beginning with line 12, page 7, strike out all to and including the period in line 2, page 8, and insert in lieu thereof the following:

"(c) The operations of an establishment affect commerce within the meaning of this title if such operations have a direct and substantial effect upon commerce."

AMENDMENT No. 671

On page 11, line 17, immediately preceding the period, insert a comma and the words "except that any person accused of criminal contempt shall be entitled upon his request to a trial by a jury upon the question of his guilt".

AMENDMENT No. 672

On page 14, line 2, immediately after the period, insert the following new sentence: "As used in this title, the term 'desegregation' shall not be construed to require the admission as a student to equal educational opportunity at any level in any public school or public college of any individual (1) who is not mentally or educationally qualified for admission to educational opportunity at such level or in such school or college, (2) who possesses traits of character, behavior, or deportment which would disrupt or threaten to disrupt the orderly course of educational activities at such level or in such school or college, or (3) whose record of criminal or immoral conduct renders him an unsuitable associate for other students."

AMENDMENT No. 673

On page 8, between lines 23 and 24, insert the following new subsection:

"(f) No. (1) church, synagogue, temple, mosque, or other place of religious worship or devotion, (2) seminary or other religious educational institution, or (3) camp, retreat facility, hospital, sanitarium, rest home, facility for the care of the aged, or other establishment operated principally for the benefit of members of any church, religious denomination, religious faith, or religious association shall be deemed to be a place of public accommodation within the meaning of this title or otherwise subject to the provisions of this title."

AMENDMENT No. 674

On page 5, line 24, strike out the closing quotation marks.

On page 5, after line 24, insert the following new paragraph:

"Nothing contained in this section shall (1) require any proceeding under this section to be given priority in hearing or determination over any other action or proceeding which is required by any statute enacted before the date of enactment of this subsection to be given expedited hearing and determination, or (2) deprive any person accused of any criminal offense of his right to a speedy trial, or to a prompt review of his conviction of any criminal offense."

AMENDMENT No. 675

On page 5, line 24, strike out the closing quotation marks.

On page 5, after line 24, insert the following:

"No action may be instituted under this section against any person within any State until (1) there has been transmitted to the Attorney General or other chief legal officer of that State a written notice containing a full and complete statement of the facts and circumstances upon which claim for relief in such action is based, including the name and address of each individual who is a prospective defendant, the official capacity, if any, of each such individual, and the alleged acts or omissions of such individual which are believed to provide a basis for action against him, and (2) such chief legal officer of that State has been accorded reasonable opportunity to procure compliance by each prospective defendant with the requirements of law which are alleged to have been violated by such prospective defendant."

AMENDMENT No. 676

On page 8, between lines 23 and 24, insert the following new subsection:

"(f) No establishment of any of the following categories shall be deemed to be a place of public accommodation within the meaning of this title:

"(1) church or other place of religious worship;

"(2) seminary or other institution devoted to the teaching or propagation of any religious faith;

"(3) mortuary or cemetery;

"(4) privately owned and operated hospital, clinic, sanitarium, or home or other domiciliary facility for the care of the aged;

"(5) office or establishment for the rendition of medical, psychiatric, ophthalmological, optometric, dental, osteopathic, chiropractic, or prosthetic service, or for the practice of any other healing art, including the services of any Christian Science practitioner; or

"(6) office or establishment for the rendition of legal or other personal professional services."

CIVIL RIGHTS — AMENDMENTS — (AMENDMENTS NOS. 677 THROUGH 724)

Mr. HILL. Mr. President, I send to the desk certain amendments to the bill

(H.R. 7152), and I ask unanimous consent that they be printed and that they may lie on the table, available to be called up for action by the Senate at the appropriate time.

Mr. HUMPHREY. Mr. President, will the Senator yield?

Mr. HILL. I yield.

Mr. HUMPHREY. Does the Senator wish to have the amendments qualified as presented and read?

Mr. HILL. As presented and read; yes.

Mr. HUMPHREY. The Senator was gracious enough the other day to permit those of us who presented a substitute to have that done also.

Mr. HILL. Yes; presented and read. The PRESIDING OFFICER. Without objection, it is so ordered.

The amendments are as follows:

AMENDMENT No. 677

On page 6, beginning with line 1, strike out all through line 17, on page 11 (title II of the bill).

AMENDMENT No. 678

On page 11, line 3, beginning with "and shall", strike out all through "law" in line 5.

On page 11, line 5, after the period, insert the following: "No action may be instituted under section 204 unless the aggrieved person has exhausted all administrative and other remedies that may be provided by law. If an alleged violation of section 203 takes place in a State, county, city, or other political subdivision which has a legally established Human Rights Commission or similar body, no action may be instituted under section 204 with respect to such alleged violation by the Attorney General before the expiration of thirty days after he has given notice of such alleged violation to such Commission or similar body."

AMENDMENT No. 679

On page 7, line 16, after "(b)," insert "it has more than five employees and".

AMENDMENT No. 680

On page 9, line 5, after "thereof," insert the following: "This section shall not apply to homes, churches, cemeteries, or private clubs of any kind, or to fraternities or organizations of any kind membership in which is selective."

AMENDMENT No. 681

On page 12, line 1, strike out "owned, operated, or managed" and in lieu thereof insert "owned or operated".

AMENDMENT No. 682

On page 13, strike out lines 4 through 10.

On page 13, line 11, strike out "303" and insert "302".

On page 13, line 14, strike out "304" and insert "303".

AMENDMENT No. 683

On page 13, line 4, after "action" insert "by an individual".

On page 13, line 7, after "origin" insert "by being denied access to or full and complete utilization of any public facility within the meaning of section 301".

AMENDMENT No. 684

On page 11, line 24, strike out "or national origin" and insert "national origin, sex, or any other reason".

On page 13, line 7, strike out "or national origin" and insert "national origin, sex, or any other reason".

AMENDMENT No. 685

On page 13, after line 16, insert the following new section:

"SEC. 305. Proceedings for contempt arising under the provisions of this title shall be subject to the provisions of section 151 of the Civil Rights Act of 1957 (71 Stat. 638)."

AMENDMENT No. 686

On page 13, after line 16, insert the following new section:

"SEC. 305. There is hereby authorized to be appropriated for each fiscal year for the administration of this title such sums, not exceeding \$312,530 in the aggregate for any fiscal year, as may be necessary."

AMENDMENT No. 687

On page 11, beginning with line 18, strike out all through line 16, on page 13 (title III of the bill).

AMENDMENT No. 688

On page 13, lines 1 and 2, strike out "or might result in injury or economic damage to" and insert "or might reasonably result in physical injury to".

AMENDMENT No. 689

On page 13, line 4, strike out "Whenever" and insert "Subject to the conditions set forth in section 301, whenever".

AMENDMENT No. 690

On page 14, line 20, after "religion," insert "sex,".

On page 17, line 12, after "religion," insert "sex,".

AMENDMENT No. 691

On page 16, after line 24, insert the following new section:

"TERMINATION OF TECHNICAL ASSISTANCE, TRAINING INSTITUTES, AND GRANTS

"SEC. 407. The provisions of sections 403, 404, and 405 shall not apply on or after January 1, 1970. The Commissioner is authorized to terminate any of the activities or functions under such sections before January 1, 1970."

On page 17, line 2, strike out "407" and insert "408".

On page 18, line 17, strike out "408" and insert "409".

On page 18, line 20, strike out "409" and insert "410".

AMENDMENT No. 692

On page 16, after line 9, insert the following new sentence: "The Commissioner shall not make any grant under this subsection to pay any part of the cost of employing an individual to advise in problems incident to desegregation if such individual has, within the preceding five year period, been employed by, or served as an officer of, any organization which has been responsible for inciting a riot, which has advocated or organized any demonstration in connection with a boycott of any public school, or which has advocated or organized any other demonstration which has had the effect of disrupting the normal operations of any public school."

AMENDMENT No. 693

On page 15, lines 22, 23, and 24, strike out "including allowances for dependents and including allowances for travel to attend such institute".

AMENDMENT No. 694

On page 13, beginning with line 17, strike out all through line 23, on page 18 (title IV of the bill) and in lieu thereof insert the following:

"TITLE IV—SURVEY AND REPORT OF EDUCATIONAL OPPORTUNITIES

"SEC. 401. The Commissioner of Education shall conduct a survey and make a report to the President and the Congress, within two years of the enactment of this title, concerning the lack of availability of

88TH CONGRESS
2D SESSION

H. R. 11438

IN THE HOUSE OF REPRESENTATIVES

MAY 28, 1964

Mr. RIVERS of Alaska introduced the following bill; which was referred to the
Committee on Interior and Insular Affairs

A BILL

To amend the Alaska Omnibus Act to provide assistance to the
State of Alaska for the reconstruction of areas damaged
by the earthquake of March 1964 and subsequent seismic
waves, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*
3 That this Act may be cited as the "1964 Amendments to
4 the Alaska Omnibus Act".

5 SEC. 2. The Congress hereby recognizes that the State
6 of Alaska has experienced extensive property loss and dam-
7 age as a result of the earthquake of March 27, 1964, and
8 subsequent seismic waves, and declares the need for special
9 measures designed to aid and accelerate the State's efforts

1 in providing for the reconstruction of the areas in the State
2 devastated by this natural disaster.

3 SEC. 3. Section 21 of the Alaska Omnibus Act (73
4 Stat. 145) is amended by adding a new subsection (f) to
5 read as follows:

6 “(f) Notwithstanding the limitation contained in sub-
7 section (f) of section 120 of title 23, United States Code,
8 the Secretary of Commerce is authorized to make expendi-
9 tures from the emergency fund under section 125 of such
10 title for the repair or reconstruction of highways on the
11 Federal-aid highway systems of Alaska which have been
12 damaged or destroyed by the 1964 earthquake and subse-
13 quent seismic waves, in accordance with the Federal share
14 payable under subsection (a) of section 120 of such title.
15 The increase in expenditures resulting from the difference be-
16 tween the Federal share authorized by this subsection and that
17 authorized by subsection (f) of section 120 of such title
18 shall be reimbursed to the emergency fund by an appro-
19 priation from the general fund of the Treasury: *Provided*,
20 That such increase in expenditures shall not exceed \$15,-
21 000,000 in the aggregate.”

22 SEC. 4. The Alaska Omnibus Act (73 Stat. 141) is
23 amended by adding the following new sections at the end
24 of section 50 thereof:

1 “NEW FEDERAL LOAN ADJUSTMENTS

2 “SEC. 51. (a) The Secretary of Agriculture is author-
3 ized to compromise or release such portion of a borrower's
4 indebtedness under programs administered by the Farmers
5 Home Administration in Alaska as he finds necessary be-
6 cause of loss resulting from the 1964 earthquake and subse-
7 quent seismic waves, and he may refinance outstanding
8 indebtedness of applicants in Alaska for loans under section
9 502 of the Housing Act of 1949 for the repair, reconstruc-
10 tion, or replacement of dwellings or farm buildings lost,
11 destroyed, or damaged by such causes and securing such
12 outstanding indebtedness. Such loans may also provide for
13 the purchase of building sites, when the original sites cannot
14 be utilized.

15 “(b) The Secretary of Agriculture is authorized to
16 compromise or release such portion of a borrower's indebted-
17 ness under programs administered by the Rural Electrifica-
18 tion Administration in Alaska as he finds necessary because
19 of loss, destruction, or damage of property resulting from
20 the 1964 earthquake and subsequent seismic waves.

21 “SEC. 52. The Housing and Home Finance Adminis-
22 trator is authorized to compromise or release such portion
23 of any note or other obligation held by him with respect
24 to property in Alaska pursuant to title II of the Housing

1 Amendments of 1955 or included within the revolving fund
2 for liquidating programs established by the Independent
3 Offices Appropriation Act of 1955, as he finds necessary
4 because of loss, destruction, or damage to facilities securing
5 such obligations by the 1964 earthquake and subsequent
6 seismic waves.

7 "URBAN RENEWAL

8 "SEC. 53. The Housing and Home Finance Adminis-
9 trator is authorized to enter into contracts for grants not
10 exceeding \$25,000,000 for urban renewal projects in
11 Alaska, including open land projects, under section 111 of
12 the Housing Act of 1949, which he determines will aid
13 the communities in which they are located in reconstruction
14 and redevelopment made necessary by the 1964 earthquake
15 and subsequent seismic waves. Such authorization shall be
16 in addition to and separate from any grant authorization
17 contained in section 103 (b) of said Act.

18 "EXTENSION OF TERM OF HOME DISASTER LOANS

19 "SEC. 54. Loans made pursuant to paragraph (1) of
20 section 7 (b) of the Small Business Act (72 Stat. 387),
21 as amended (15 U.S.C. 636 (b)), for the purpose of re-
22 placing, reconstructing, or repairing dwellings in Alaska
23 damaged or destroyed by the 1964 earthquake and subse-

1 quent seismic waves, may have a maturity of up to thirty
2 years: *Provided*, That the provisions of section 7 (c) of
3 said Act shall not be applicable to such loans.

4 "MODIFICATION OF CIVIL WORKS PROJECTS

5 "SEC. 55. The Chief of Engineers, under the direction
6 of the Secretary of the Army, is hereby authorized to make
7 such modifications to previously authorized civil works proj-
8 ects in Alaska adversely affected by the 1964 earthquake
9 and subsequent seismic waves as he finds necessary to meet
10 changed conditions and to provide for current and reasonably
11 prospective requirements of the communities they serve, at
12 an estimated cost of \$10,000,000.

13 "PURCHASE OF ALASKA STATE BONDS

14 "SEC. 56. The Housing and Home Finance Adminis-
15 trator is authorized to purchase, in accordance with the pro-
16 visions of sections 202 (b), 203, and 204 of title II of the
17 Housing Amendments of 1955, the securities and obligations
18 of, or make loans to, the State of Alaska to finance any part
19 of the programs needed to carry out the reconstruction activi-
20 ties in Alaska related to the 1964 earthquake and subsequent
21 seismic waves: *Provided*, That the aggregate amount of such
22 purchase or loan shall not exceed \$25,000,000."

1 APPROPRIATION AUTHORIZATION

2 SEC. 5. There is authorized to be appropriated such sums
3 as may be necessary to carry out the provisions of this Act,
4 which shall be available for obligation until June 30, 1967.
5 There is also authorized to be appropriated such sums as may
6 be necessary for the expenses of such advisory commissions
7 or committees as the President may establish in connection
8 with the reconstruction and development planning of the
9 State of Alaska.

10 TERMINATION DATE

11 SEC. 6. The authority contained in this Act shall expire
12 on June 30, 1967, except that such expiration shall not affect
13 the payment of expenditures for any obligation or commit-
14 ment entered into under this Act prior to June 30, 1967.

A BILL

To amend the Alaska Omnibus Act to provide assistance to the State of Alaska for the reconstruction of areas damaged by the earthquake of March 1964, and subsequent seismic waves, and for other purposes.

By Mr. RIVERS of Alaska

MAY 28, 1964

Referred to the Committee on Interior and Insular
Affairs

June 3, 1964

13. FARMERS. Sen. Proxmire commended and inserted a speech by James B. Carey, "A Struggle Without Hope," which draws "the parallel between organized labor in the United States and American farmers." pp. 12127-9
14. SHIPPING RATES. Sen. Proxmire commended and inserted speech of Sen. Douglas on the "disparity between the rates charged by shipping lines for the export of American goods abroad and the rates charged for the importation of the same goods, to the great disadvantage of American exporters." pp. 12129-30
15. AREA REDEVELOPMENT. Sen. Hartke criticized the Reader's Digest "unfair attack" on the Area Redevelopment Administration. pp. 12135-6
16. AIR POLLUTION. Sen. Yarborough inserted an article, "Garbage in the Air," containing an "eloquent warning against the hazard our civilization is creating for us through air pollution." pp. 12136-7
17. PUBLIC WORKS. Both Houses received a report from GAO on the "overstatement of number of jobs created under the accelerated public works program." pp. 12108, 12111
18. LANDS. Both Houses received a letter from Interior Department reporting the certification of an adequate soil survey and land classification of the lands to be served by Agate Dam and Reservoir facilities, and that the lands to be irrigated are susceptible to the production of agricultural crops by means of irrigation. pp. 12108, 12111
19. ALASKA RELIEF. Sen. Gruening inserted testimony of Alaska's Attorney General before the Senate Interior and Insular Affairs Committee favoring S. 2881, to provide assistance to Alaska for the reconstruction of areas damaged by the earthquake. pp. 12159-63
20. CATTLE PRICES. Sen. McGovern inserted an article, "What Cattlemen Should Do Now," in which is emphasized the conclusion reached by three economists who said, "We must increase cow slaughter if we are to get our cattle numbers back in line with the population--reduction in imports alone won't do it." pp. 12175-6
21. FOREIGN TRADE. Sen. Javits inserted a Wall Street Journal article reviewing non-tariff barriers to trade, including reference to France's rejection of U. S. port as being unsanitary and a United Nations Food and Agricultural Organization study regarding non-tariff barriers in international trade on agricultural products and raw materials. pp. 12197-200
22. EXPENDITURES; PERSONNEL. Sen. Byrd, Va., inserted an exchange of correspondence with the President regarding reduction in Federal expenditures, including the President's outline of suggested reductions in the budget for fiscal year 1965 for departments and agencies. pp. 12176-82

ITEMS IN APPENDIX

23. POVERTY. Extension of remarks of Rep. Alger stating that Norman Thomas has said that the administration's war on poverty is "a socialistic approach" and inserting an article commenting on the Thomas speech. p. A2960
Rep. Gross inserted an editorial on the war on poverty and stated that "it raises a very good question: 'Could there possibly be something just a little bit phony about this war on poverty?'" p. A2963

24. FOREIGN TRADE. Rep. Ostertag inserted an address discussing the significance of the common market and other worldwide developments on America's future. pp. A2967-9
25. APPALACHIA. Extension of remarks of Rep. Mathias stating that there is need to have attention focused on the good things in the area known as Appalachia and commending the Council of the Alleghenies for their efforts toward better roads, etc., p. A2975
26. CONSUMERS. Rep. Dingell commended and inserted an address by Asst. Attorney General Orrick, "The Government's Role in Consumer Protection." pp. A2977-8
27. FOOD MARKETING. Extension of remarks of Rep. Cooley stating that "there is an urgent need for study and appraisal of the dramatic changes taking place in the marketing structure of the food industry," and urging passage of H. J. Res. 977, to establish a National Commission on Food Marketing. pp. A2978-9
28. SURPLUS FOOD. Extension of remarks of Rep. Rosenthal expressing approval of the food-for-peace program and inserting a statement of the delegate for Israel to FAO of the United Nations concerning the distribution by this country of surplus food commodities under Public Law 480. pp. A2980-1

BILLS INTRODUCED

29. WATER RESOURCES. H. R. 11480, by Rep. Bell, to authorize the coordinated development of the water resources of the Pacific Southwest; to Interior and Insular Affairs Committee.
30. TIME STANDARDS. H. R. 11483, by Rep. Staggers, to establish a uniform system of time standards and measurements for the United States and to promote the observance of such time standards for all purposes; to Interstate and Foreign Commerce Committee.

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COMMITTEE HEARINGS JUNE 4:

Meat imports, H. Ways and Means (exec) (Secretary Freeman to testify).
Appalachia program, H. Public Works.
Pay bill, S. Civil Service (exec).
Government small business procurement program, S. Small Business (GSA to testify).

oOo

of bringing to the personal attention of Homer A. Jack, executive director, National Committee for a Sane Nuclear Policy, the urgency of giving the widest distribution to your excellent speech of March 10. I have read the text in full, and congratulate you anew upon your forthrightness, courage, and high statesmanship. I feel especially encouraged by your expression of determination 'to keep up the fight to get us out of this untenable position.' Your stand should be known to all Americans; it will put heart in them. I have communicated the same strong recommendation to officials of the Women's League for Peace, whom I know personally."

From a private, first class, in the Army:
"I am glad to see that at least one Senator is aware of the wasteful situation in South Vietnam. I hope that you and your colleagues will also take note of other areas in the world that are in the very same situation."

"You have pointed out the case in South Vietnam and Cambodia, among other Asiatic countries; now what is to be done about it? Will it take many more wasteful years before our aid is reduced or better administered? How long does it take these obvious facts to sink into the heads of our leaders? We seem to be afraid of what these tiny countries will think or say about us, not the immediate damage being done, such as the 100 plus dead American men in South Vietnam."

Prompt and firm action is needed. Please do your best."

From Mr. and Mrs. Victor Povirk, of Mattapan, Mass.:

"We are taking this occasion to congratulate you for the valiant fight you are waging to have our troops withdrawn from South Vietnam."

"The millions of dollars foolishly wasted in bolstering a decadent ruling class in that bleeding country could be put to much better use in rebuilding your own State."

"The disturbing thing of our continued involvement in South Vietnam is the danger of extending the conflict to the north and eventually China."

"Our Armed Forces must be withdrawn to insure peace. We have also written our Senators about our attitude. We support you and Senator MORSE for your fight in the U.S. Senate on this issue."

From Mr. F. W. Stover, president and editor, U.S. Farm News, of Des Moines, Iowa:

"It is most heartening to find a U.S. Senator, from a State supported by many war contracts, putting up your kind of battle for getting out of Vietnam."

"This is most assuredly the time in history, when, if the majority do not have the will to avert war then the intelligent minority must take the 'bull by the horns.'" It has now reached a point in the U.S.A. where the people cannot get the war they want, if indeed the popularity hounds are willing to settle for such an expediency."

"The sheer madness of men in high places must try the courage of men like yourself. But your cause is so righteous and so important that somehow I think you will get through to the people of the United States. Surely the people do not want their children's lives given up on the ruins of an atomic war. The flirtation with nuclear war by adventurous millionaires such as McNamara must be stopped. More than another Korea is at stake."

From Mrs. Magdalena E. Gale, legislative chairman of the Women's International League for Peace and Freedom in West Palm Beach, Fla.: "I am writing to commend you on your stand in favor of negotiation and reevaluation of U.S. policy in Vietnam. I am thoroughly of the opinion we should never have sent our troops there and now should withdraw them as soon as possible

as it would seem impossible for us to win such a war. Every thinking person should realize it is a civil war and none of our business."

From Mrs. Mildred Miller, of the Bronx, N.Y.:

"At this time, when the war in South Vietnam is being escalated by U.S. military and financial aid, your stand favoring withdrawal of troops and military advisers, reevaluation of Asian policy and informing the public on policy, clarifies the situation and points up what needs to be done."

"Our continued participation, which has never been admitted as actual military aid, is making us accessory to unspeakable brutality toward the civilian population. It cannot make friends for us in southeast Asia, and can only result in dragging us into further military adventures. The French had to inflict and suffer catastrophic losses before they pulled out, and we should learn from their experience."

From Mrs. Ida G. Klingsberg, of Philadelphia, Pa.:

"Following is a copy of a letter sent to President Johnson:

"There have been reports recently in the news of plans to carry the war into North Vietnam. These reports are most disturbing to people who are seriously concerned for the survival of our civilization, and possibly of our entire planet."

"At best such a move can result only in a war of attrition like the one experienced by France at an immeasurable cost in lives and money. At worst it can escalate into a full-scale nuclear conflagration—and the end of everything."

"I urge upon you, Mr. President, to take the necessary steps leading to international agreement on the neutralization of southeast Asia."

THE ACTION PROPOSED AND NEEDED FOR ALASKA'S EARTHQUAKE VICTIMS

Mr. GRUENING. Mr. President, Alaska's able attorney general, Mr. George Hayes, appeared before the Senate Interior and Insular Affairs Committee this morning to present testimony on S. 2881 which amends the Alaska Omnibus Act to provide assistance to help the State recover from the effects of the March 27 earthquake and subsequent seismic waves.

Attorney General Hayes appeared on behalf of Gov. William A. Egan and the Alaska congressional delegation to comment on the 1964 amendments to the Alaska Omnibus Act. He correctly called the bill a "good bill" and he correctly pointed out ways in which it could be made better.

The attorney general called to the committee's attention the important fact that "due to sound financial management, we—Alaska—have always ended each fiscal year with a surplus." Alaska has done this and has provided the essential services needed to sustain a population of 250,000 people spread over a land area one-fifth the size of the contiguous 48 States. As George Hayes said:

We proved we could afford statehood—but we cannot afford an earthquake of the magnitude of the one that occurred on March 27, 1964.

The amendments proposed by the attorney general are simple and sound.

The first amendment would permit the Housing and Home Finance Administration to contribute up to 90 percent

for disaster-connected urban renewal projects where necessary. This authority would substantially implement the State's recovery program where as the attorney general pointed out "State and local contributive funds simply cannot be raised on a 75-25 basis."

The second amendment would reduce the rate of interest on any loans made by the U.S. Government to Alaska to a rate lower than 3½ percent. This amendment would enable Alaska to meet and best a decline in gross tax collections caused by the earthquake damage. As Attorney General Hayes illustrated, differences in interest rates mean millions of dollars.

Alaska, for example, if charged 3.625 per annum for \$25 million for 40 years to meet disaster losses only would pay \$18,578,095 plus principal. An interest rate of 2 percent on the same amount under the same terms with no deferment of principal payment would cost the State \$10,250,000 plus principal. The difference, better than \$8 million, is considerable.

A rate such as the United States gave Chile after its earthquake would be even better and wholly logical. In that case, after a grant of \$20 million, the United States made a loan of \$100 million with merely a service charge of three-fourths of 1 percent and deferment of payment of the principal for 10 years. Why not provide the same treatment for our fellow citizens?

Attorney General Hayes has provided the committee with tables illustrating the startling differences in costs on loans where interest rates differ.

The amendments proposed by the attorney general are constructive. They will strengthen the bill as will others which will be offered in committee.

Because his statement is important as the Senate and the other body consider legislation to enable Alaska to rebuild and because such rebuilding is, we believe, "a wise and prudent investment on the part of the United States," I ask unanimous consent that the full text of the attorney general's statement be printed in the RECORD.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT OF GEORGE N. HAYES, ATTORNEY GENERAL OF ALASKA, BEFORE THE SENATE INTERIOR AND INSULAR AFFAIRS COMMITTEE

My name is George Hayes. I am attorney general for the State of Alaska. I am appearing here in behalf of Gov. William A. Egan, of Alaska, and also in behalf of Senator GRUENING, Senator BARTLETT, and Representative RIVERS of Alaska.

Mr. Chairman, Governor Egan desires that I present to you his gratitude and appreciation for the efforts of the Congress and the President in behalf of the State of Alaska and its citizens. The financial, physical, and moral assistance already given our State is considerable. The assistance that is being proposed in this bill you are considering will enable us to recover from the effects of the earthquake sooner than most of us believed possible just 2 months ago.

This omnibus bill represents only a part of the time-consuming and productive efforts of Senator ANDERSON and the Federal Commission for the Reconstruction and Development of Alaska. For this the State government, our citizens, and our congress-

sional delegation are grateful. We are grateful, too, for the immediate attention given to our problems by the President of the United States. We also recognize and are indebted to the array of capable talent in the person of Mr. Dwight Ink, Executive Director of the Commission, and his fine staff. I've personally observed their hard work, their extra long hours and their devotion to the task assigned to them by Senator ANDERSON. The cooperation extended to us by all of the Federal departments and agencies could not have been better.

If the aid already given together with that proposed here were to be the sum total, we could have no complaint.

The omnibus bill as drafted and presented is a good bill. It goes a long way.

The fact that we have suggestions to offer by way of amendments does not alter our respect for the great measure of aid incorporated in the present form of the bill. We all hope that the two changes I am suggesting to you will not be mistaken by you as a sign of insufficient recognition of the good already accomplished.

We would not make these requests of you if we did not firmly believe them to be essential to the rate of our recovery. If the Congress were to agree with us in these two areas, it would cost the Federal Government somewhat more than would be the case if the bill passes in its present form. While the State of Alaska is participating in the cost of reconstruction, the unhappy fact is that the State government and its citizens are not presently in a position financially to assist in our own recovery to the extent we would like. If we were in a better position, we would not make this request.

Prior to outlining our suggestions may I give you a brief history of the State's financial position?

When we became a State in 1959 our State enjoyed a gross State product in the neighborhood of some \$600 million a year. Our first State appropriation bill, excluding Federal matching funds for items such as Federal aid to highways, was in the amount of approximately \$41,600,000. In 1960 the legislature appropriated approximately \$47,200,000. In 1961, \$60,300,000. In 1962, \$67,600,000. In 1963, \$85,300,000. In 1964, \$81,200,000.

Due to sound financial management, we have always ended each fiscal year with a surplus. The State of Alaska has, in its brief history, operated in the black. In addition to these expenditures, our State legislature and our citizens have authorized a capital improvement program costing \$50,825,000—all in general obligation bonds. We've already issued \$39,201,000 of these bonds for schools, roads, ferry system, University of Alaska, and airfields. We must yet issue \$11,624,000 to complete these programs.

Mr. Chairman, members of the committee, while we take great pride in these services, these programs have never been luxury items. They provide bare essential services needed to sustain a population of 250,000 people spread over an area of nearly 600,000 square miles. We have drawn upon and continue to draw upon the resources of approximately 50,000 State taxpayers. We proved we could afford statehood—but we cannot afford an earthquake of the magnitude of the one that occurred on March 27, 1964.

We have no alternative but to commit our financial resources to the continuation of these minimum services if we are to maintain our population—let alone grow. It is for this reason alone that I ask you to consider amendments to two areas of this bill.

Section 53 of S. 2881 authorizes the HHFA Administrator to enter into contracts with our political subdivisions and the Alaska State Housing Authority for urban renewal projects. The U.S. share of the net costs of such projects, under present law, is 75 percent of such costs. The cities ordi-

narily contribute the other 25 percent. Some weeks ago it had been proposed to the Commission by HHFA that the ratio for disaster connected urban renewal projects be changed to 90/10 percent. The various members of the Commission recognized that the cost of the urban renewal projects was an entirely new expenditure thrust upon our taxpayers as a result of the earthquake. They recognized, also, that we could not afford such a program if the cost to us amounted to 25 percent of the net costs. The present form of the bill reduces the total amount of moneys authorized for the URA programs over what had been originally proposed. Moreover, it does not authorize a 90/10 percent contributive ratio as had been proposed earlier. It is estimated by the Alaska State Housing Authority that disaster-connected URA programs could have a net project cost of approximately \$40 million. If the present 75-25 ratio is not changed, the State of Alaska and its cities would have to contribute \$10 million of that cost. The U.S. portion would be \$30 million. At a 90-10 ratio, our cost would be \$4 million and the Federal cost would be \$36 million. The present form of the omnibus bill authorizes a Federal contributive share not to exceed \$25 million. Under this limitation, of course, the actual dollar cost to both the United States and the State and local governments is less. We believe, as does the Commission, that URA projects are an important part of our recovery. We earnestly request that for disaster-connected Urban Renewal Administration projects the Federal administrator be permitted to contribute up to 90 percent of the net project costs, if, in his discretion, such a share is necessary to carry out a particular program at all. We don't request that a 90-10 ratio be made mandatory, but permissive only so as to enable the urban renewal authority to implement the recovery program where State and local contributive funds simply cannot be raised on a 75-25 basis.

Under present urban renewal authority, payment for property taken for urban renewal projects is made on the basis of the value at the time of the taking. In many cases a disaster-connected urban renewal project will be based upon greatly depressed prices due to subsidence of the land taken for the project, or the ruination of the home on the land, or both. We would like to point out to the committee that if the URA administrator had the legal authority to pay prices for land condemned or purchased at a price related to the value prior to the disaster, such a measure would assist considerably in the restoration work envisioned in the urban renewal projects.

The other request we would urge the committee to consider is an amendment to section 56 of the proposed omnibus bill. According to this section, as presently written, the State of Alaska may borrow from the U.S. Government an amount not to exceed \$25 million at a present rate of interest of 3½ percent. Our legislature has recently authorized issuance of bonds or borrowing authority in the amount of \$12,300,000 to be used for disaster recovery purposes. This authorization by the legislature consists of three separate programs. One is to provide the State's share of matching funds for the reconstruction of our highways. A second is to provide for a State's share not to exceed 10 percent of the net project costs of disaster-connected urban renewal projects in the State. The third authorizes the expenditure of up to \$2 million for rebuilding of public buildings that OEP and other funds may not be available to us for one reason or another.

Our State commissioner of revenue has compiled a table showing the amount of interest the State would be required to pay over 40 years at a rate of 3½ percent, assuming a loan of \$25 million. The commis-

sioner has also compiled a table assuming a loan at 3 percent of only \$12,300,000. The table shows a total amount of interest Alaska would have to pay over 40 years on a \$25 million loan.

That amount is over \$18½ million. On a \$12,300,000 loan from the Federal Government the amount of interest over 40 years is over \$9,140,000. The Commissioner of Revenue has also compiled tables showing what our interest rates would be at 3¼ percent (which is the rate which will be in force on July 1 according to our understanding). For the purposes of comparison, he has drafted tables of the total cost in dollars to the State if the State were to borrow moneys from the United States in the amount of \$25 million at 3 percent and 2 percent. He has also drafted similar tables for a loan of \$12,300,000. Although the total price in dollars over 40 years would not be high to a State more fully developed financially than we, it is high to us. We have obligated ourselves already as a State for more than \$39 million in general obligation bonds. We shall soon be paying an average of \$2½ million a year principal and interest on these general obligation bonds. We do not know to what extent our growth rate has been slowed by the earthquake. We do know, for instance, that our gross tax collections for the month of May were \$1,344,000 less than May of 1963. We ordinarily would have expected an increase of gross tax collections over May of 1963 of some \$350,000. This would have been our normal growth rate. Thus, when the gross tax collection shortfall is coupled with the gross tax collection we did not get due to our failure to grow it amounts to \$1,694,244. This does not include State tax refunds which will be made due to losses caused by the earthquake. Thus our ability to pay for our own recovery is not as strong as we wish it were. We would urge the committee to amend the omnibus bill and reduce the rate of interest on any loans made by the U.S. Government to Alaska to a rate lower than 3½ percent. As can be seen from the tables compiled by our Commissioner of Revenue, a difference of 1 percent over 40 years on a loan of \$12,300,000 amounts to \$2½ million. This is a considerable amount of money.

As to our regular general obligation bonds, our financial advisers tell us that we can expect to pay a high interest rate on the open market. Their view is that we may have to pay as high as 4¼ or 4½ percent.

Members of the U.S. Treasury agree that our current credit standing has been impaired and that a sale of the remainder of our general obligation bonds now or in the near future would require us to pay an abnormally high interest rate. Our present program calls for a sale of general obligation bonds in the amount of \$7,200,000 during the next fiscal year, probably next spring. We are hoping that our credit position will improve considerably by next spring. We believe it will. Federal aid surely will not be lost on bond buyers. Your assistance already provided and to be provided will probably bring the interest rate, we will be required to pay, down to levels we can live with. But no one can be sure. In order to make certain we can carry out our necessary, normal capital improvement program, we would like to have the assistance applied to our regular bond issue that is being presently proposed in this omnibus bill for disaster loans. This assistance may not be necessary. Hopefully we can obtain a favorable rate of interest by next spring. But, if we cannot—and if the Federal Government will submit a bid for our bonds at a rate of interest of 3½ or 3¾ percent, or whatever rate money costs the United States—we can be assured that our regular capital improvement program will continue. Such assistance should not cost the Federal Government any money, since we would pay the prevailing price of money to the United States. And,

again, it may not be necessary for the United States to have to purchase any of our regular bonds. We hope we can get a lower rate of interest on the open market than the United States will ask from us. But we do need that assurance if we are to be able to continue with our planning and our building.

We are all aware that our requests to you contain an element of risk. We are concerned, for example, that some may think

us to be thankless people. Such is not the case. We are concerned, too, that our requests may delay passage of an omnibus bill. We certainly do not want that to occur. We weighed our needs against these risks for some time before coming to a decision. If we did not believe that we needed this additional assistance, we would not have come before you.

We are not unmindful that we are not the

only area the Congress and the President must consider. We are not unmindful, either, that the U.S. Treasury does have its limits, and that U.S. taxpayers have a right to demand that their dollars be spent wisely and prudently.

We believe that restoration of Alaska is a wise and prudent investment on the part of the United States. And we know full well that you, too, are agreed upon that.

\$25,000,000 State of Alaska general obligation bond issue—Disaster issues only (based on 40-year maturity, level-payment basis, no deferment of principal payment)

INTEREST RATE AT 3.625 PERCENT PER ANNUM

Year	Principal outstanding	Interest at 3.625 percent	Principal payment	Total cash requirements	Year	Principal outstanding	Interest at 3.625 percent	Principal payment	Total cash requirements
1965	\$25,000,000	\$906,250.00	\$625,000	\$1,541,250.00	1986	\$11,875,000	\$430,468.75	\$625,000	\$1,055,468.75
1966	24,375,000	883,593.75	625,000	1,508,593.75	1987	11,250,000	407,812.50	625,000	1,032,812.50
1967	23,750,000	860,937.50	625,000	1,485,937.50	1988	10,625,000	385,156.25	625,000	1,010,156.25
1968	23,125,000	838,281.25	625,000	1,463,281.25	1989	10,000,000	362,500.00	625,000	987,500.00
1969	22,500,000	815,625.00	625,000	1,440,625.00	1990	9,375,000	339,843.75	625,000	964,843.75
1970	21,875,000	792,968.75	625,000	1,417,968.75	1991	8,750,000	317,187.50	625,000	942,187.50
1971	21,250,000	770,312.50	625,000	1,395,312.50	1992	8,125,000	294,531.25	625,000	919,531.25
1972	20,625,000	747,656.25	625,000	1,372,656.25	1993	7,500,000	271,875.00	625,000	896,875.00
1973	20,000,000	725,000.00	625,000	1,350,000.00	1994	6,875,000	249,218.75	625,000	874,218.75
1974	19,375,000	702,343.75	625,000	1,327,343.75	1995	6,250,000	226,562.50	625,000	851,562.50
1975	18,750,000	679,687.50	625,000	1,304,687.50	1996	5,625,000	203,906.25	625,000	828,906.25
1976	18,125,000	657,031.25	625,000	1,282,031.25	1997	5,000,000	181,250.00	625,000	806,250.00
1977	17,500,000	634,375.00	625,000	1,259,375.00	1998	4,375,000	158,593.75	625,000	783,593.75
1978	16,875,000	611,718.75	625,000	1,236,718.75	1999	3,750,000	135,937.50	625,000	760,937.50
1979	16,250,000	589,062.50	625,000	1,214,062.50	2000	3,125,000	113,281.25	625,000	738,281.25
1980	15,625,000	566,406.25	625,000	1,191,406.25	2001	2,500,000	90,625.00	625,000	715,625.00
1981	15,000,000	543,750.00	625,000	1,168,750.00	2002	1,875,000	67,968.75	625,000	692,968.75
1982	14,375,000	521,093.75	625,000	1,146,093.75	2003	1,250,000	45,312.50	625,000	670,312.50
1983	13,750,000	498,437.50	625,000	1,123,437.50	2004	625,000	22,656.25	625,000	647,656.25
1984	13,125,000	475,781.25	625,000	1,100,781.25					
1985	12,500,000	453,125.00	625,000	1,078,125.00	Total	0	18,578,095.00	25,000,000	43,578,095.00

INTEREST RATE AT 3.75 PERCENT PER ANNUM

Year	Principal outstanding	Interest at 3.75 percent	Principal payment	Total cash requirements	Year	Principal outstanding	Interest at 3.75 percent	Principal payment	Total cash requirements
1965	\$25,000,000	\$937,500.00	\$625,000	\$1,562,500.00	1986	\$11,875,000	\$445,312.50	\$625,000	\$1,070,312.50
1966	24,375,000	914,062.50	625,000	1,539,062.50	1987	11,250,000	421,875.00	625,000	1,046,875.00
1967	23,750,000	890,625.00	625,000	1,515,625.00	1988	10,625,000	398,437.50	625,000	1,023,437.50
1968	23,125,000	867,187.50	625,000	1,492,187.50	1989	10,000,000	375,000.00	625,000	1,000,000.00
1969	22,500,000	843,750.00	625,000	1,468,750.00	1990	9,375,000	351,562.50	625,000	976,562.50
1970	21,875,000	820,312.50	625,000	1,445,312.50	1991	8,750,000	328,125.00	625,000	953,125.00
1971	21,250,000	796,875.00	625,000	1,421,875.00	1992	8,125,000	304,687.50	625,000	929,687.50
1972	20,625,000	773,437.50	625,000	1,398,437.50	1993	7,500,000	281,250.00	625,000	906,250.00
1973	20,000,000	750,000.00	625,000	1,375,000.00	1994	6,875,000	257,812.50	625,000	882,812.50
1974	19,375,000	726,562.50	625,000	1,351,562.50	1995	6,250,000	234,375.00	625,000	859,375.00
1975	18,750,000	703,125.00	625,000	1,328,125.00	1996	5,625,000	210,937.50	625,000	835,937.50
1976	18,125,000	679,687.50	625,000	1,304,687.50	1997	5,000,000	187,500.00	625,000	812,500.00
1977	17,500,000	656,250.00	625,000	1,281,250.00	1998	4,375,000	164,062.50	625,000	789,062.50
1978	16,875,000	632,812.50	625,000	1,257,812.50	1999	3,750,000	140,625.00	625,000	765,625.00
1979	16,250,000	609,375.00	625,000	1,234,375.00	2000	3,125,000	117,187.50	625,000	742,187.50
1980	15,625,000	585,937.50	625,000	1,210,937.50	2001	2,500,000	93,750.00	625,000	718,750.00
1981	15,000,000	562,500.00	625,000	1,187,500.00	2002	1,875,000	70,312.50	625,000	695,312.50
1982	14,375,000	539,062.50	625,000	1,164,062.50	2003	1,250,000	46,875.00	625,000	671,875.00
1983	13,750,000	515,625.00	625,000	1,140,625.00	2004	625,000	23,437.50	625,000	648,437.50
1984	13,125,000	492,187.50	625,000	1,117,187.50					
1985	12,500,000	468,750.00	625,000	1,093,750.00	Total	0	19,218,750.00	25,000,000	44,218,750.00

INTEREST RATE AT 3 PERCENT PER ANNUM

Year	Principal outstanding	Interest at 3 percent	Principal payment	Total cash requirements	Year	Principal outstanding	Interest at 3 percent	Principal payment	Total cash requirements
1965	\$25,000,000	\$750,000.00	\$625,000	\$1,375,000.00	1986	\$11,875,000	\$356,250.00	\$625,000	\$981,250.00
1966	24,375,000	731,250.00	625,000	1,356,250.00	1987	11,250,000	337,500.00	625,000	962,500.00
1967	23,750,000	712,500.00	625,000	1,337,500.00	1988	10,625,000	318,750.00	625,000	943,750.00
1968	23,125,000	693,750.00	625,000	1,318,750.00	1989	10,000,000	300,000.00	625,000	925,000.00
1969	22,500,000	675,000.00	625,000	1,300,000.00	1990	9,375,000	281,250.00	625,000	906,250.00
1970	21,875,000	656,250.00	625,000	1,281,250.00	1991	8,750,000	262,500.00	625,000	887,500.00
1971	21,250,000	637,500.00	625,000	1,262,500.00	1992	8,125,000	243,750.00	625,000	868,750.00
1972	20,625,000	618,750.00	625,000	1,243,750.00	1993	7,500,000	225,000.00	625,000	850,000.00
1973	20,000,000	600,000.00	625,000	1,225,000.00	1994	6,875,000	206,250.00	625,000	831,250.00
1974	19,375,000	581,250.00	625,000	1,206,250.00	1995	6,250,000	187,500.00	625,000	812,500.00
1975	18,750,000	562,500.00	625,000	1,187,500.00	1996	5,625,000	168,750.00	625,000	793,750.00
1976	18,125,000	543,750.00	625,000	1,168,750.00	1997	5,000,000	150,000.00	625,000	775,000.00
1977	17,500,000	525,000.00	625,000	1,150,000.00	1998	4,375,000	131,250.00	625,000	756,250.00
1978	16,875,000	506,250.00	625,000	1,131,250.00	1999	3,750,000	112,500.00	625,000	737,500.00
1979	16,250,000	487,500.00	625,000	1,112,500.00	2000	3,125,000	93,750.00	625,000	718,750.00
1980	15,625,000	468,750.00	625,000	1,093,750.00	2001	2,500,000	75,000.00	625,000	700,000.00
1981	15,000,000	450,000.00	625,000	1,075,000.00	2002	1,875,000	56,250.00	625,000	681,250.00
1982	14,375,000	431,250.00	625,000	1,056,250.00	2003	1,250,000	37,500.00	625,000	662,500.00
1983	13,750,000	412,500.00	625,000	1,037,500.00	2004	625,000	18,750.00	625,000	643,750.00
1984	13,125,000	393,750.00	625,000	1,018,750.00					
1985	12,500,000	375,000.00	625,000	1,000,000.00	Total	0	15,375,000	25,000,000	40,375,000.00

\$25,000,000 State of Alaska general obligation bond issue—Disaster issues only (based on 40-year maturity, level-payment basis, no deferment of principal payment)—Continued

INTEREST RATE AT 2 PERCENT PER ANNUM

Year	Principal outstanding	Interest at 2 percent	Principal payment	Total cash requirements	Year	Principal outstanding	Interest at 2 percent	Principal payment	Total cash requirements
1965	\$25,000,000	\$500,000.00	\$625,000	\$1,125,000.00	1986	\$11,875,000	\$237,500.00	\$625,000	\$862,500.00
1966	24,375,000	487,500.00	625,000	1,112,500.00	1987	11,250,000	225,000.00	625,000	850,000.00
1967	23,750,000	475,000.00	625,000	1,100,000.00	1988	10,625,000	212,500.00	625,000	837,500.00
1968	23,125,000	462,500.00	625,000	1,087,500.00	1989	10,000,000	200,000.00	625,000	825,000.00
1969	22,500,000	450,000.00	625,000	1,075,000.00	1990	9,375,000	187,500.00	625,000	812,500.00
1970	21,875,000	437,500.00	625,000	1,062,500.00	1991	8,750,000	175,000.00	625,000	800,000.00
1971	21,250,000	425,000.00	625,000	1,050,000.00	1992	8,125,000	162,500.00	625,000	787,500.00
1972	20,625,000	412,500.00	625,000	1,037,500.00	1993	7,500,000	150,000.00	625,000	775,000.00
1973	20,000,000	400,000.00	625,000	1,025,000.00	1994	6,875,000	137,500.00	625,000	762,500.00
1974	19,375,000	387,500.00	625,000	1,012,500.00	1995	6,250,000	125,000.00	625,000	750,000.00
1975	18,750,000	375,000.00	625,000	1,000,000.00	1996	5,625,000	112,500.00	625,000	737,500.00
1976	18,125,000	362,500.00	625,000	987,500.00	1997	5,000,000	100,000.00	625,000	725,000.00
1977	17,500,000	350,000.00	625,000	975,000.00	1998	4,375,000	87,500.00	625,000	712,500.00
1978	16,875,000	337,500.00	625,000	962,500.00	1999	3,750,000	75,000.00	625,000	700,000.00
1979	16,250,000	325,000.00	625,000	950,000.00	2000	3,125,000	62,500.00	625,000	687,500.00
1980	15,625,000	312,500.00	625,000	937,500.00	2001	2,500,000	50,000.00	625,000	675,000.00
1981	15,000,000	300,000.00	625,000	925,000.00	2002	1,875,000	37,500.00	625,000	662,500.00
1982	14,375,000	287,500.00	625,000	912,500.00	2003	1,250,000	25,000.00	625,000	650,000.00
1983	13,750,000	275,000.00	625,000	900,000.00	2004	625,000	12,500.00	625,000	637,500.00
1984	13,125,000	262,500.00	625,000	887,500.00	Total	0	10,250,000.00	25,000,000	35,250,000.00
1985	12,500,000	250,000.00	625,000	875,000.00					

\$12,300,000 State of Alaska general obligation bond issue—Disaster issues only (based on 40-year maturity, level-payment basis, no deferment of principal payment)

INTEREST RATE AT 3.625 PERCENT PER ANNUM

Year	Principal outstanding	Interest at 3.625 percent	Principal payment	Total cash requirements	Year	Principal outstanding	Interest at 3.625 percent	Principal payment	Total cash requirements
1965	\$12,300,000	\$445,875.00	\$307,500	\$753,375.00	1986	\$5,842,500	\$211,790.73	\$307,500	\$519,290.73
1966	11,992,500	434,728.13	307,500	742,228.13	1987	5,535,000	200,643.86	307,500	508,143.86
1967	11,685,000	423,581.26	307,500	731,081.26	1988	5,227,500	189,496.99	307,500	496,996.99
1968	11,377,500	412,434.39	307,500	719,934.39	1989	4,920,000	178,350.12	307,500	485,850.12
1969	11,070,000	401,287.52	307,500	708,787.52	1990	4,612,500	167,203.25	307,500	474,703.25
1970	10,762,500	390,140.65	307,500	697,640.65	1991	4,305,000	156,056.38	307,500	463,556.38
1971	10,455,000	378,993.78	307,500	686,493.78	1992	3,997,500	144,909.51	307,500	452,409.51
1972	10,147,500	367,846.91	307,500	675,346.91	1993	3,690,000	133,762.64	307,500	441,262.64
1973	9,840,000	356,700.04	307,500	664,200.04	1994	3,382,500	122,615.77	307,500	430,115.77
1974	9,532,500	345,553.17	307,500	653,053.17	1995	3,075,000	111,468.90	307,500	418,968.90
1975	9,225,000	334,406.30	307,500	641,906.30	1996	2,767,500	100,322.03	307,500	407,822.03
1976	8,917,500	323,259.43	307,500	630,759.43	1997	2,460,000	89,175.16	307,500	396,675.16
1977	8,610,000	312,112.56	307,500	619,612.56	1998	2,152,500	78,028.29	307,500	385,528.29
1978	8,302,500	300,965.69	307,500	608,465.69	1999	1,845,000	66,881.42	307,500	374,381.42
1979	7,995,000	289,818.82	307,500	597,318.82	2000	1,537,500	55,734.55	307,500	363,234.55
1980	7,687,500	278,671.95	307,500	586,171.95	2001	1,230,000	44,587.68	307,500	352,087.68
1981	7,380,000	267,525.08	307,500	575,025.08	2002	922,500	33,440.81	307,500	340,940.81
1982	7,072,500	256,378.21	307,500	563,878.21	2003	615,000	22,293.94	307,500	329,793.94
1983	6,765,000	245,231.34	307,500	552,731.34	2004	307,500	11,147.07	307,500	318,647.07
1984	6,457,500	234,084.47	307,500	541,584.47	Total	0	9,140,451.40	12,300,000	21,440,451.40
1985	6,150,000	222,937.60	307,500	530,437.60					

INTEREST RATE AT 3.75 PERCENT PER ANNUM

Year	Principal outstanding	Interest at 3.75 percent	Principal payment	Total cash requirements	Year	Principal outstanding	Interest at 3.75 percent	Principal payment	Total cash requirements
1965	\$12,300,000	\$461,250.00	\$307,500	\$768,750.00	1986	\$5,842,500	\$219,093.75	\$307,500	\$526,593.75
1966	11,992,500	449,718.75	307,500	757,218.75	1987	5,535,000	207,562.50	307,500	515,062.50
1967	11,685,000	438,187.50	307,500	745,687.50	1988	5,227,500	196,031.25	307,500	503,531.25
1968	11,377,500	426,656.25	307,500	734,156.25	1989	4,920,000	184,500.00	307,500	492,000.00
1969	11,070,000	415,125.00	307,500	722,625.00	1990	4,612,500	172,967.75	307,500	480,467.75
1970	10,762,500	403,593.75	307,500	711,093.75	1991	4,305,000	161,437.50	307,500	468,937.50
1971	10,455,000	392,062.50	307,500	699,562.50	1992	3,997,500	149,906.25	307,500	457,406.25
1972	10,147,500	380,531.25	307,500	688,031.25	1993	3,690,000	138,375.00	307,500	445,875.00
1973	9,840,000	369,000.00	307,500	676,500.00	1994	3,382,500	126,843.75	307,500	434,343.75
1974	9,532,500	357,468.75	307,500	664,968.75	1995	3,075,000	115,312.50	307,500	422,812.50
1975	9,225,000	345,937.50	307,500	653,437.50	1996	2,767,500	103,781.25	307,500	411,281.25
1976	8,917,500	334,406.25	307,500	641,906.25	1997	2,460,000	92,250.00	307,500	399,750.00
1977	8,610,000	322,875.00	307,500	630,375.00	1998	2,152,500	80,718.75	307,500	388,218.75
1978	8,302,500	311,343.75	307,500	618,843.75	1999	1,845,000	69,187.50	307,500	376,687.50
1979	7,995,000	299,812.50	307,500	607,312.50	2000	1,537,500	57,656.25	307,500	365,156.25
1980	7,687,500	288,281.25	307,500	595,781.25	2001	1,230,000	46,125.00	307,500	353,625.00
1981	7,380,000	276,750.00	307,500	584,250.00	2002	922,500	34,593.75	307,500	342,093.75
1982	7,072,500	265,218.75	307,500	572,718.75	2003	615,000	23,062.50	307,500	330,562.50
1983	6,765,000	253,687.50	307,500	561,187.50	2004	307,500	11,531.25	307,500	319,031.25
1984	6,457,500	242,156.25	307,500	549,656.25	Total	0	9,455,625.00	12,300,000	21,755,625.00
1985	6,150,000	230,625.00	307,500	538,125.00					

\$12,300,000 state of Alaska general obligation bond issue—Disaster issues only (based on 40-year maturity, level-payment basis, no deferment of principal payment)—Continued

INTEREST RATE AT 3 PERCENT PER ANNUM

Year	Principal outstanding	Interest at 3 percent	Principal payment	Total cash requirements	Year	Principal outstanding	Interest at 3 percent	Principal payment	Total cash requirements
1965	\$12,300,000	\$369,000.00	\$307,500	\$676,500.00	1986	\$5,842,500	\$175,275.00	\$307,500	\$482,775.00
1966	11,992,500	359,775.00	307,500	667,275.00	1987	5,535,000	166,050.00	307,500	473,550.00
1967	11,685,000	350,550.00	307,500	658,050.00	1988	5,227,500	156,825.00	307,500	464,325.00
1968	11,377,500	341,325.00	307,500	648,825.00	1989	4,920,000	147,600.00	307,500	455,100.00
1969	11,070,000	332,100.00	307,500	639,600.00	1990	4,612,500	138,375.00	307,500	445,875.00
1970	10,762,500	322,875.00	307,500	630,375.00	1991	4,305,000	129,150.00	307,500	436,650.00
1971	10,455,000	313,650.00	307,500	621,150.00	1992	3,997,500	119,925.00	307,500	427,425.00
1972	10,147,500	304,425.00	307,500	611,925.00	1993	3,690,000	110,700.00	307,500	418,200.00
1973	9,840,000	295,200.00	307,500	602,700.00	1994	3,382,500	101,475.00	307,500	408,975.00
1974	9,532,500	285,975.00	307,500	593,475.00	1995	3,075,000	92,250.00	307,500	399,750.00
1975	9,225,000	276,750.00	307,500	584,250.00	1996	2,767,500	83,025.00	307,500	390,525.00
1976	8,917,500	267,525.00	307,500	575,025.00	1997	2,460,000	73,800.00	307,500	381,300.00
1977	8,610,000	258,300.00	307,500	565,800.00	1998	2,152,500	64,575.00	307,500	372,075.00
1978	8,302,500	249,075.00	307,500	556,575.00	1999	1,845,000	55,350.00	307,500	362,850.00
1979	7,995,000	239,850.00	307,500	547,350.00	2000	1,537,500	46,125.00	307,500	353,625.00
1980	7,687,500	230,625.00	307,500	538,125.00	2001	1,230,000	36,900.00	307,500	344,400.00
1981	7,380,000	221,400.00	307,500	528,900.00	2002	922,500	27,675.00	307,500	335,175.00
1982	7,072,500	212,175.00	307,500	519,675.00	2003	615,000	18,450.00	307,500	325,950.00
1983	6,765,000	202,950.00	307,500	510,450.00	2004	307,500	9,225.00	307,500	316,725.00
1984	6,457,500	193,725.00	307,500	501,225.00	Total	0	7,564,500.00	12,300,000	19,864,500.00
1985	6,150,000	184,500.00	307,500	492,000.00					

INTEREST RATE AT 2 PERCENT PER ANNUM

Year	Principal outstanding	Interest at 2 percent	Principal payment	Total cash requirements	Year	Principal outstanding	Interest at 2 percent	Principal payment	Total cash requirements
1965	\$12,300,000	\$246,000.00	\$307,500	\$553,500.00	1986	\$5,842,500	\$116,850.00	\$307,500	\$424,350.00
1966	11,992,500	239,850.00	307,500	547,350.00	1987	5,535,000	110,700.00	307,500	418,200.00
1967	11,685,000	233,700.00	307,500	541,200.00	1988	5,227,500	104,550.00	307,500	412,050.00
1968	11,377,500	227,550.00	307,500	535,050.00	1989	4,920,000	98,400.00	307,500	405,900.00
1969	11,070,000	221,400.00	307,500	528,900.00	1990	4,612,500	92,250.00	307,500	399,750.00
1970	10,762,500	215,250.00	307,500	522,750.00	1991	4,305,000	86,100.00	307,500	393,600.00
1971	10,455,000	209,100.00	307,500	516,600.00	1992	3,997,500	79,950.00	307,500	387,450.00
1972	10,147,500	202,950.00	307,500	510,450.00	1993	3,690,000	73,800.00	307,500	381,300.00
1973	9,840,000	196,800.00	307,500	504,300.00	1994	3,382,500	67,650.00	307,500	375,150.00
1974	9,532,500	190,650.00	307,500	498,150.00	1995	3,075,000	61,500.00	307,500	369,000.00
1975	9,225,000	184,500.00	307,500	492,000.00	1996	2,767,500	55,350.00	307,500	362,850.00
1976	8,917,500	178,350.00	307,500	485,850.00	1997	2,460,000	49,200.00	307,500	356,700.00
1977	8,610,000	172,200.00	307,500	479,700.00	1998	2,152,500	43,050.00	307,500	350,550.00
1978	8,302,500	166,050.00	307,500	473,550.00	1999	1,845,000	36,900.00	307,500	344,400.00
1979	7,995,000	159,900.00	307,500	467,400.00	2000	1,537,500	30,750.00	307,500	338,250.00
1980	7,687,500	153,750.00	307,500	461,250.00	2001	1,230,000	24,600.00	307,500	332,100.00
1981	7,380,000	147,600.00	307,500	455,100.00	2002	922,500	18,450.00	307,500	325,950.00
1982	7,072,500	141,450.00	307,500	448,950.00	2003	615,000	12,300.00	307,500	319,800.00
1983	6,765,000	135,300.00	307,500	442,800.00	2004	307,500	6,150.00	307,500	313,650.00
1984	6,457,500	129,150.00	307,500	436,650.00	Total	0	5,043,000.00	12,300,000	17,343,000.00
1985	6,150,000	123,000.00	307,500	430,500.00					

AMENDMENTS NOS. 801, 802, 803, AND 804

Mr. GRUENING. Mr. President, on behalf of my colleague, the senior Senator from Alaska [Mr. BARTLETT] and myself, I submit four amendments, intended to be proposed by us, jointly, to Senate bill 2881, the Alaska omnibus bill, and ask that they be printed and appropriately referred.

The PRESIDING OFFICER. The amendments will be received, printed, and appropriately referred.

The amendments were referred to the Committee on Interior and Insular Affairs.

COMMENDATION OF PRESIDENT AND STATE DEPARTMENT ON HANDLING ARAB NATION'S UNPRECEDENTED PROTEST AGAINST VISIT OF ISRAEL'S PRIME MINISTER

Mr. GRUENING. Mr. President, in times past I have been highly critical of the Department of State's policies in the Middle East. It has been my opinion that a continued policy of firmness toward President Nasser—a policy of firmness coupled with mutual respect for the independence and dignity of each and every nation in that area—would have brought stability rather than the present uneasiness.

Today, however, I wish to commend the President and the Department of State for the manner in which they handled the unparalleled public protest by the press secretaries of the Arab nations in Washington against the official visit to the United States of the Prime Minister of Israel.

Acting Secretary of State George W. Ball acted correctly and firmly in reprimanding the Arab envoys for their unheard of interference in U.S. domestic affairs. To me this exhibits complete arrogance on the part of these Arab embassies in trying to dictate to the United States whom the President may invite to visit this country officially.

The President is to be commended also for arranging for the visit of the Prime Minister of Israel and for the joint statement issued with respect to the defense of Israel as well as the other nations in the Middle East.

Israel and its defense should be a matter of concern to the United States not alone because it represents a haven for the oppressed and persecuted in other areas of the world who seek refuge, but also because it is a shining beacon of a true democracy in an area where democratic governments are otherwise nonexistent.

Israel represents a model of the type of government which we hope the other underdeveloped nations we are assisting

in the Middle East will take as their example.

I ask unanimous consent that the article in the New York Times today on the Arab protest against the visit to the United States of the Prime Minister of Israel be printed in the RECORD at the conclusion of my remarks.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the New York Times, June 3, 1964]

UNITED STATES REPRIMANDS ARAB ENVOYS FOR CRITICISM OF ESHKOL'S VISIT

WASHINGTON, June 2.—The United States reprimanded 13 Arab Ambassadors today for a statement criticizing the visit of Premier Levi Eshkol of Israel.

Mr. Eshkol completed 2 days of discussions with President Johnson with the announcement that the United States and Israel had agreed to undertake joint studies on the problems of desalting sea water.

American and Israel officials said the Johnson-Eshkol discussions had gone extremely well. The cordiality, however, was overshadowed by the administration's efforts to keep the Arab-Israeli feud from developing further here.

The State Department made elaborate arrangements to permit Acting Secretary of State George W. Ball to carry on his scheduled discussions with Premier Eshkol at noon and also to meet with the representatives of 13 Arab countries—without having the two parties meet.

Mr. Ball summoned the Arab diplomats to rebuke them for a statement issued by Arab press attachés yesterday saying the Eshkol visit could impair Arab-American relations. The statement also charged that the Israel leader was seeking arms and a defense pact with the United States. Both charges were denied yesterday.

The State Department said Secretary Ball had called the Ambassadors to "pursue with them the statement issued yesterday by their information officers."

But qualified sources said Mr. Ball had complained that the statement was an unwarranted intrusion into U.S. affairs and that its timing had offended the Government.

In a joint communique issued at the end of the talks, President Johnson, reaffirmed the U.S. "support for the territorial integrity and political independence of all countries in the Near East and reaffirmed the firm opposition of the United States to aggression and the use of force or the threat of force against any country."

The statement was similar to one made a year ago by President Kennedy at a news conference. But the fact that it was made in a joint communique with the Israel Premier was viewed as an underscoring of Washington's support for Israel.

The Israel delegation met with Mr. Ball and other State Department officials for nearly 2 hours. They discussed a wide range of issues, especially tensions in the Middle East.

Premier Eshkol has indicated in remarks here that he considers Israel's armed forces a sufficient deterrent to Arab nations for now. But he is reported to have expressed concern that the arms buildup in the Middle East is continuing and that there are no signs that tensions are easing.

Officials insisted that no specific requests for economic or military aid had been made.

The decision to study the use of nuclear power in desalting sea water was the only agreement reached. The joint communique noted that progress in this field would be made "available to all countries with water deficiencies."

The issue of diverting Jordan River water for irrigation purposes in Israel has recently heightened Arab-Israel tensions.

ESHKOLS TO VISIT CITY

Mr. and Mrs. Eshkol will be guests of Mayor Wagner and New York when they arrive today for a 4-day visit.

Their party is scheduled to arrive at the marine air terminal, La Guardia Airport, at 6:20 p.m. It will be greeted by Richard C. Patterson, Jr., commissioner of public events, who will escort the Premier and his wife to the Waldorf-Astoria Hotel.

The United Jewish Appeal will give a dinner in their honor at the Waldorf-Astoria at 7 o'clock tonight. Tomorrow, Governor Rockefeller will call on the Premier in his suite.

Mr. and Mrs. Eshkol will be welcomed by Mayor Wagner at city hall at noon.

The city hall visit will be followed by a luncheon at the United Nations given by the Secretary General, U Thant.

At 1:15 p.m. tomorrow, Mrs. Michael S. Comay, the wife of Israel's permanent representative at the United Nations, will give a luncheon at the United Nations in honor of Mrs. Eshkol.

WAGNER TO GIVE RECEPTION

Mayor Wagner will have a reception in honor of Mr. and Mrs. Eshkol tomorrow at 6 p.m. at the Grand Ballroom of the Waldorf-Astoria.

The Premier and his wife will meet with the American Zionist Council Friday morning in the Astor Gallery of the Waldorf-Astoria. At 1 p.m. the Overseas Press Club will give a luncheon for the Premier at the club, 54 West 40th Street.

Also at 1 p.m., Mrs. Eshkol will be honored at a luncheon at the Metropolitan Museum of Art. At 8 p.m. Adlai E. Stevenson, the U.S. representative at the United Nations, will hold a dinner in honor of Premier and Mrs. Eshkol at the Waldorf Towers.

The Eshkols are scheduled to depart for Cape Kennedy in Florida from Kennedy International Airport, Sunday, at 11:20 a.m., aboard an Air Force plane.

Mr. HUMPHREY. Mr. President, will the Senator yield?

Mr. GRUENING. I yield with pleasure to the Senator from Minnesota.

Mr. HUMPHREY. I am glad the Senator from Alaska has taken the floor today to comment on the visit by the Prime Minister of Israel to the United States. As the Senator knows, the Prime Minister was the guest of the Committee on Foreign Relations, and other Members of the Senate were present, as well.

I felt that the Prime Minister answered frankly and in detail questions that were put to him. He answered them, of course, from his own point of view, but with great candor.

I have the feeling that his visit to the United States has resulted in a much closer relationship between our two countries. The United States is big, powerful, and strong; while today, Israel, small in size, but growing, and having an ever-increasing standard of living and per capita income, and an ever-increasing flow of exports, and a good dollar balance in terms of its reserves, has really given inspiration to many countries that seek to develop and grow from rather humble beginnings into full-fledged, modern nation-states.

The fact is, as we discovered in our discussion in the Committee on Foreign Relations, and as many of us have known, that Israel today is extending technical assistance to many countries in Asia, Africa, and Latin America. Even now, some of Israel's best agricultural teams, speaking in terms of new crops, especially citrus, and in terms of land use, both reclamation and irrigation, are rendering valuable assistance.

Israel is making her contribution to a more viable society and economy in many nations.

I was much pleased with the attitude of the President and the State Department when they reminded the representatives of other countries that we are at liberty to have as our guests whom we would like, and that we treat our guests with respect and courtesy and attempt to promote friendly relationships among the countries of the world.

In the interviews and conferences with the Prime Minister of Israel and with others, President Johnson has tried to promote peace—not armaments—in the Middle East. When he talked to the King of Jordan, President Johnson spoke for the same purpose—to promote peace and understanding in the Middle East. In both cases he spoke of ways and means to improve the land, to obtain sweet water from the salt water of the sea, and to use nuclear energy for peaceful purposes.

So I feel that the visit by the Prime Minister of Israel is once again giving the world a view of American policy, and

is showing the world that American policy is dedicated, not to the promotion of tensions, but the promotion of peace and understanding.

It will be a happy day for the world when the nations of the Middle East literally beat their swords into plowshares and make war no more, because the Arab nations are in desperate need of economic development and social improvement. The Arab people are a fine people. They have a great civilization and a great history; but today we find country after country among the Arab nations impoverished, and yet building up armaments, only for the purpose of fighting among themselves or maintaining a kind of continuing war against the state of Israel. That is madness and economic folly.

So I was pleased to note that the President of the United States once again saw fit, to remind the world that the United States will fulfill its commitments under the declaration of 1950, which was reiterated only a year or so ago by the late President Kennedy—in other words, that the United States will fulfill its commitments to prevent aggression or to prevent a change of boundaries by force in the Middle East. I believe this is a forward and constructive step toward peace.

Mr. GRUENING. I thank the Senator from Minnesota. Of course he realizes that little Israel—which is only a sliver of land, perhaps not larger in area than that of the State of Massachusetts—is surrounded by nations with populations 50 times as great and with areas 100 times as large, nations which have never ceased to declare war on Israel. They declared years ago that they were at war with Israel and have never abrogated that declaration. It is a tragic fact that they have united to boycott Israel and to try in every way to throttle Israel's growth. Through Nasser, Egypt's dictator, they have prevented the passage through the Suez Canal not only of ships flying Israel's flag, but also of the ships of any other nation, bound either to or from Israel or carrying cargoes either to or from Israel. Nasser has never ceased to declare his intention to destroy Israel and to drive her people into the sea. His Cairo radio continues to preach hate. It has advocated assassination. Yet the small nation of Israel has made full use of its resources which though slight, Israel has steadily developed, and has spared no effort to educate its people, to improve the nation's sanitation, to improve the health of its people, and to irrigate the land so as to make it more productive, whereas the nations which surround Israel and hostile to it are not using for the purposes intended the generous financial aid they receive from the United States, under our foreign assistance program.

For example, according to the estimates of our military experts, it was quite clear that the war in Yemen which in September of 1962 Nasser launched by means of Russian air transportation and arms was at that time costing not less than one-half a million dollars a day; and since then Nasser has increased the number of his troops there from 28,-

Digest of CONGRESSIONAL PROCEEDINGS

OFFICE OF
BUDGET AND FINANCE

(For information only;
should not be quoted
or cited)

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

Issued June 8, 1964

For actions of June 5 and 6, 1964
88th-2nd; Nos. 112 and 113

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HIGHLIGHTS: Sen. Magnuson spoke in support of food marketing study bill. Sen. Sparkman introduced and discussed bill to extend housing loans for elderly in rural areas. Sen. Cotton urged enactment of omnibus transportation bill.

SENATE - June 5

1. **FOOD MARKETING.** Conferees were appointed on S. J. Res. 71, to provide for the establishment of a bipartisan National Commission on Food Marketing of 15 members to make a study of the food industry from the farmer to the consumer. House conferees have already been appointed. Sen. Magnuson spoke in support of this measure and stated that there was not a great deal of disagreement between the two Houses over the measure. pp. 12393-4
2. **PERSONNEL.** Sen. Williams, Del., spoke in support of his resolution to provide for an investigation of political fundraising among Federal employees and inserted an article critical of this alleged practice, including reference to Rep. Nelsen's charge of fundraising among REA employees. pp. 12363-4
3. **PUBLIC WORKS.** Sen. Miller submitted an amendment intended to be proposed to S. 1856, to increase the authorization to carry out the Public Works Acceleration Act, which would modify the definition of rural areas under the Act. p. 12353
4. **ALASKA RELIEF.** Sen. Gruening submitted an amendment intended to be proposed to S. 2881, to amend the Alaska Omnibus Act so as to provide assistance to Alaska

for reconstruction of the earthquake damage. p. 12355

Sen. Gruening charged that loans are made under the foreign aid program at a lower rate of interest than the interest rate on loans to Alaskan earthquake victims and inserted a summary of certain foreign loans made by AID. pp. 12403-7

5. INTEREST RATES. Sens. Robertson and Douglas discussed the merits of S. 750, to require the disclosure of interest rates on loans. pp. 12360-2
6. WATER RESOURCES. Sen. Hart spoke in support of his proposal for a joint study by the U. S. and Canada on the feasibility of diverting additional water into the Great Lakes and inserted several letters, including one from this Department, discussing possible solutions to the problem. pp. 12366-7
7. CIVIL RIGHTS. Continued debate on H. R. 7152, the civil rights bill (pp. 12351-2, 12353-5, 12371-85, 12386-93, 12395-403). Sen. Dirksen inserted "an annotated copy of the House bill, showing by black brackets and italics matter deleted and matter inserted" (pp. 12371-81).
8. EXPORT CONTROL. Received from Commerce Department a report on export control for the first quarter of 1964. p. 12352
9. VEHICLES. Received from the Attorney General a proposal to authorize the expenditure of appropriated funds for insurance covering the operation of motor vehicles in foreign countries; to Foreign Relations Committee. p. 12352
10. FORESTRY; PERSONNEL. Received from this Department a proposal to validate certain over-payments made to Forest Service firefighter crews from New Mexico and Arizona; to Judiciary Committee. p. 12352
11. POVERTY. Sen. Hart inserted an article, "Mr. Johnson's Chance of Greatness," commending the President, particularly his proposals to combat poverty. pp. 12367-8
12. ELECTRIFICATION. Sen. Hruska inserted and commended some of the winning entries in the annual Nebraska Rural Electrification Essay Contest sponsored by the Nebraska Rural Electric Association. pp. 12370-1

SENATE - June 6

13. CIVIL RIGHTS. Continued debate on H. R. 7152, the civil rights bill. pp. 12425-28, 12439, 12443-4
14. TRANSPORTATION. Sen. Cotton reviewed the "problem of illegal trucking" and urged enactment of S. 2796, to strengthen and improve the national transportation system. pp. 12448-9

ITEMS IN APPENDIX

15. AWARDS; PERSONNEL. Extension of remarks of Sen. Neuberger stating that "Oregon is proud of the outstanding record made by Howard Bertsch," and inserting an article, "Howard Bertsch Gets Coveted Department of Agriculture Award." p. A3031
16. AREA REDEVELOPMENT. Extension of remarks of Rep. Teague inserting a letter written by the director of the Texas Agricultural Extension Service, in an effort to set the record straight regarding charges made by the Reader's

prisonment, or both: *Provided, however*, That the fine shall not exceed \$1,000, nor shall imprisonment exceed a term of six months."

AMENDMENT No. 851

On page 6, line 12, delete the words "Injunctive Relief Against."

On page 9, beginning on line 24, delete all down through line 23 on page 14.

Between lines 23 and 24 on page 9, insert the following:

"SEC. 204. Any violation of the provisions of this title shall be punished by fine or imprisonment, or both: *Provided, however*, That the fine shall not exceed \$2,000, nor shall imprisonment exceed a term of two years."

AMENDMENT No. 852

On page 6, line 12, delete the words "Injunctive Relief Against."

On page 9, beginning on line 24, delete all down through line 23 on page 14.

Between lines 23 and 24 on page 9, insert the following:

"SEC. 204. Any violation of the provisions of this title shall be punished by fine or imprisonment, or both: *Provided, however*, That the fine shall not exceed \$5,000, nor shall imprisonment exceed a term of five years."

AMENDMENT No. 853

On page 35, between lines 9 and 10, insert the following new section:

"SEC. 605. The Secretary of Health, Education, and Welfare is hereby directed to withhold funds, granted or loaned under any Federal program presently in effect or hereafter enacted, from any school district in any State, the District of Columbia, or any territory or possession of the United States, which has voluntarily desegregated its public schools without being required to do so by order of a Federal court, when the school district does not attempt, by busing or otherwise, to correct a racial imbalance which may exist in any public school of that school district."

AMENDMENTS NOS. 854 THROUGH 867, INCLUSIVE

Mr. THURMOND submitted 14 amendments, intended to be proposed by him, to House bill 7152, the so-called civil rights bill, which were received, considered to have been read, and were ordered to lie on the table and to be printed, as follows:

AMENDMENT No. 854

On page 9, line 22, strike out "himself" and insert in lieu thereof "the United States district court for the district wherein the prohibited act is alleged to have occurred".

AMENDMENT No. 855

On page 33, line 2, immediately after "origin", insert the following: "or because such individual is not a member of a labor organization".

On page 33, line 9, immediately after "origin", insert the following: "or because such individual is not a member of a labor organization".

On page 33, line 13, immediately after "origin", insert the following: "or because such individual is not a member of a labor organization".

On page 33, line 15, strike out "or national origin" and insert in lieu thereof the following: "national origin, or membership in a labor organization".

On page 34, line 11, immediately after "origin", insert the following: "or because such individual is not a member of a labor organization".

On page 36, line 15, strike out "or national origin" and insert in lieu thereof the following: "national origin, or membership in a labor organization".

AMENDMENT No. 856

On page 4, line 2, beginning with the word "where" delete down through and including the first comma on page 4, line 4.

AMENDMENT No. 857

On page 14, line 8, substitute a period for the comma and delete the language on line 8 following the comma and delete all on lines 9 and 10.

AMENDMENT No. 858

On page 23, line 18, delete the words "being accorded or".

AMENDMENT No. 859

On page 25, line 22, following the word "color" insert the word "religion."

AMENDMENT No. 860

On page 37, beginning on line 9, delete the following language: "The President shall designate one member to serve as Chairman of the Commission, and one member to serve as Vice Chairman.", and insert in lieu thereof the following language: "The Commission shall elect its own Chairman and Vice Chairman."

AMENDMENT No. 861

On page 36, beginning on line 20, delete down through line 8 on page 49.

On lines 10 and 16 of page 49, change the designation of sections 716 and 717 to 706 and 707 respectively.

On line 4 of page 50, change the designation of section 718 to 708.

Following line 25 on page 50, add the following:

"SEC. 708. Any violation of this title shall be punished by fine or imprisonment or both: *Provided, however*, That the fine to be paid shall not exceed \$1,000, nor shall imprisonment exceed the term of six months."

AMENDMENT No. 862

On page 36, beginning on line 20, delete down through line 8 on page 49.

On lines 10 and 16 of page 49, change the designation of sections 716 and 717 to 706 and 707 respectively.

On line 4 of page 50, change the designation of section 718 to 708.

Following line 25 on page 50, add the following:

"SEC. 709. Any violation of this title shall be punished by fine or imprisonment or both: *Provided, however*, That the fine to be paid shall not exceed \$2,000, nor shall imprisonment exceed the term of two years."

AMENDMENT No. 863

On page 37, beginning on line 20, delete down through line 8 on page 49.

On lines 10 and 16 of page 49, change the designation of sections 716 and 717 to 706 and 707 respectively.

On line 4 of page 50, change the designation of section 718 to 708.

Following line 25 on page 50, add the following:

"SEC. 709. Any violation of this title shall be punished by fine or imprisonment or both: *Provided, however*, That the fine to be paid shall not exceed \$5,000, nor shall imprisonment exceed the term of two years."

AMENDMENT No. 864

On page 6, line 1, delete the words "Injunctive Relief Against."

On page 9, beginning on line 15, delete all down through line 17 on page 11.

On page 9, between lines 14 and 15, insert the following:

"SEC. 204. Any violation of the provisions of this Title shall be punished by fine or imprisonment, or both: *Provided, however*,

That the fine to be paid shall not exceed \$1,000, nor shall imprisonment exceed a term of six months."

AMENDMENT No. 865

On page 6, line 1, delete the words "Injunctive Relief Against."

On page 9, beginning on line 15, delete all down through line 17 on page 11.

On page 9, between lines 14 and 15, insert the following:

"SEC. 204. Any violation of the provisions of this Title shall be punished by fine or imprisonment, or both: *Provided, however*, That the fine to be paid shall not exceed \$2,000, nor shall imprisonment exceed a term of two years."

AMENDMENT No. 866

On page 6, line 1, delete the words "Injunctive Relief Against."

On page 9, beginning on line 15, delete all down through line 17 on page 11.

On page 9, between lines 14 and 15, insert the following:

"SEC. 204. Any violation of the provisions of this Title shall be punished by fine or imprisonment, or both: *Provided, however*, That the fine to be paid shall not exceed \$5,000, nor shall imprisonment exceed a term of five years."

AMENDMENT No. 867

On page 27, between lines 20 and 21, insert the following new section:

"SEC. 604. The Secretary of Health, Education, and Welfare is hereby directed to withhold funds, granted or loaned under any Federal program presently in effect or hereafter enacted, from any school district in any State, the District of Columbia, or any territory or possession of the United States, which has voluntarily desegregated its public schools without being required to do so by order of a Federal Court, when that school district does not attempt, by bussing or otherwise, to correct a racial imbalance which may exist in any public school of that school district."

AMENDMENT No. 868

Mr. HICKENLOOPER submitted an amendment, intended to be proposed by him, to House bill 7152, the so-called civil rights bill, which was ordered to lie on the table and to be printed.

AMENDMENT No. 869

Mr. MORTON submitted an amendment, intended to be proposed by him, to House bill 7152, the so-called civil rights bill, which was ordered to lie on the table and to be printed.

AMENDMENT OF ALASKA OMNIBUS ACT—AMENDMENTS (AMENDMENT NO. 870)

Mr. GRUENING submitted an amendment, intended to be proposed by him, to the bill (S. 2881) to amend the Alaska Omnibus Act to provide assistance to the State of Alaska for the reconstruction of areas damaged by the earthquake of March 1964 and subsequent seismic waves, and for other purposes, which was referred to the Committee on Interior and Insular Affairs, and ordered to be printed.

ADDRESSES, EDITORIALS, ARTICLES, ETC., PRINTED IN THE APPENDIX

On request, and by unanimous consent, addresses, editorials, articles, etc.,

were ordered to be printed in the Appendix, as follows:

By Mrs. NEUBERGER:

Article entitled "Howard Bertsch Gets Coveted Department of Agriculture Award," published in the Oregon Washington Farmers Union, issue of May 1964.

WILLIAM M. CHINN

Mr. MANSFIELD. Mr. President, it was my good fortune to visit my home State of Montana over the Memorial Day weekend. During my visit to Butte I participated in the annual memorial services on May 30.

One of the leaders in the services was an old friend of mine, William M. Chinn, who is the commander of the Butte Veterans of Foreign Wars Post.

I have known Bill Chinn for many years. He is the son of immigrant parents. He has come up the hard way. He has served his country in uniform and has made great contributions to the city of Butte, the county of Silver Bow, and the State of Montana.

I ask unanimous consent that an editorial from the Montana Standard of May 31, 1964, entitled "VFW Shows Way—'We Practice What We Preach,'" relative to Bill Chinn, be incorporated in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

VFW SHOWS WAY—"WE PRACTICE WHAT WE PREACH"

William M. Chinn was elected commander of Butte's Veterans of Foreign Wars Post because he had all the qualifications, including Armed Forces service in foreign territory and in two wars. The VFW requires such service as a basic qualification for those who would hold membership or office in it.

No more, no less, was asked of Chinn than has been asked of past commanders and will be asked of those who seek the position in the future.

Chinn is set apart from these others only by race. He is of Chinese ancestry. For that reason, his election attracted more than usual attention and evoked far more than ordinary comment. This is natural and it is good.

In the territory of Montana, now celebrating its centennial, and in the State that territory was to become, Chinese were maligned, persecuted and demeaned. That was not peculiar to Montana. It went on throughout the Old West, to which Chinese came to perform the hardest and most menial tasks and, in the days of easy gold, to work the poorest claims and the tailings scorned by white men.

Bret Harte wrote of them in reflection of prevailing opinion in his time: "For ways that are dark and for tricks that are vain, the heathen Chinese is peculiar," and again: "We are ruined by Chinese cheap labor—and he went for that heathen Chinese." Being different, the Chinese were misunderstood and therefore distrusted. In their first generation in this country they were victims of discrimination and occasional violence.

They hung on, commanded grudging respect where they could not gain forgiveness for being Chinese. In their second and third generations they became Americans in thought and deed, and now are widely accepted as such. Where they cling to their "Chinatowns," as in San Francisco, and as once they did in Butte, they do so for business reasons, for they have found Americans of other origins to be ready and generous

customers, fascinated by visits to districts where they can see and admire reasonable simulations of that which Americans of other generations despised and deplored.

It has become clear that "ways that are dark and tricks that are vain" translate into business acumen and the ability to turn disadvantages to profitable account. These are characteristic of the great majority of Americans of Chinese descent. Their names are found on no public relief rolls. They are found in prominent places in business and industry, and in the professions and sciences, and in one State at least—Hawaii—in politics.

They have accepted the challenges directed at a racial minority and have prevailed. Other racial and national minorities have done likewise, and still others are making progress. Advances by one become examples for all.

Butte is justified in congratulating itself, and in expecting congratulations from elsewhere, in its exemplification of an all-embracing Americanism. Oliver Atkins, prominent in the VFW, said as he acted as installing officer for Commander Chinn:

"At a time when segregation is being discussed and argued, when integration is a major topic of conversation and a cause of violent action in parts of our land, we here at Butte Post, No. 1448 are showing the city, the State, and the Nation—the world—that we practice what we preach. 'Regardless of race, creed or color' is not a meaningless phrase here."

With a long way to go before all is well on the Nation's racial fronts, the step taken here shows that Butte will not be among communities resisting inevitable change.

JOHN T. FOLEY—OUTSTANDING AIRMAN OF THE YEAR

Mr. MANSFIELD. Mr. President, a friend and constituent from Wolf Point, Mont., Mr. Severin Pederson, recently directed my attention to the selection of the Air Force Association's Outstanding Airman of the Year Competition. This year Glasgow Air Force Base in north central Montana will be represented by John T. Foley, a 29-year-old personnel sergeant major assigned to the 91st Wing Headquarters Squadron.

According to a news account, the base has selected an extremely well qualified entry for the nationwide competition. Sergeant Foley has an impressive list of accomplishments to his credit, both on and off duty with the Air Force. The sergeant is also devoted to his role as husband and father.

I want to take this opportunity to extend my best wishes to this year's Outstanding Airman of Glasgow Air Force Base and to wish him well in his future endeavors.

Mr. President, I ask unanimous consent to have printed at the conclusion of my remarks in the CONGRESSIONAL RECORD a news story appearing in a recent edition of the Glasgow Courier.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

CHOSEN AS GAFB AIRMAN OF YEAR

One of the youngest master sergeants in the Air Force has been named to represent Glasgow Air Force Base in the Air Force Association's Outstanding Airman of the Year competition.

He is John T. Foley, 29-year-old personnel sergeant major assigned to the 91st Wing Headquarters Squadron.

Each year the Air Force Association asks that each major air command in the Air Force nominate an individual as the outstanding airman of the year, in the particular command. Each man so selected is honored at the association's annual convention held in Washington, D.C. As Glasgow Air Force Base's nominee, Sergeant Foley will compete with other base level nominees for the honor of representing 15th Air Force in the Strategic Air Command competition.

Announcement of the SAC winner is expected by June 15.

Sergeant Foley was selected from among nominations submitted by squadron commanders, stressing both on and off duty outstanding accomplishments by their men during 1963.

He leads three lives as a noncommissioned officer in the Air Force, a prime supervisor at Glasgow Air Force Base, and a husband and father. The awards that have been won by this NCO are numerous. His file is filled with many letters of appreciation from commanders and staff officers in return for the professional services that have consistently been rendered to them and to their activities by the nominee.

Despite his busy schedule, Sergeant Foley is a strong believer in the military suggestion program. Even before the current emphasis on cost reduction and big "R," Sergeant Foley was busy cranking out his ideas on Air Force forms 1000. During the summer of 1963, out of seven military suggestions he submitted, three were approved, two were forwarded to 15th Air Force for consideration and one was pending approval at SAC headquarters. He currently has 16 big "R" suggestions under evaluation.

Sergeant Foley's contacts in the civilian community of Glasgow during the past 3½ years include many of the prominent businessmen, including close association with the Red Cross director and various members of city and county government. During the month of March 1964, Sergeant Foley compiled a very comprehensive economic survey which was directed to higher headquarters. Sergeant Foley's single visit to the appropriate city agencies provided the basis for the entire report. In addition, he assisted members of all tenant organizations in the preparation of their reports to their respective major air commanders. In addition, Sergeant Foley was selected to meet with several prominent businessmen from the city of Glasgow to formulate basic plans and to serve as a judge for the "Mrs. Glasgow AFB" contest which was held for the first time at this base during the month of October 1963.

The awards that have been garnered by this NCO are numerous. He has been selected as the "Outstanding NCO" of every NCO grade that he has held. He was twice selected as the semiannual outstanding NCO of Glasgow Air Force Base in an 18-month period, the latter being for the period January to June 1963. Last winter, he was selected to represent 15th Air Force in a special personal meeting with Gen. Thomas S. Power, CINCSAC, on the subject of publications management. He earned the Air Force Commendation Medal in 1961 upon his PCS to Glasgow, while serving as the sergeant major of the 303d Bomb Wing at Davis-Monthan Air Force Base, Ariz.

VISIT TO THE SENATE BY HON. KIL CHAE-HO, HON. HAN TONG-SOK, AND HON. HONG IK-PYO, MEMBERS OF THE NATIONAL ASSEMBLY OF KOREA

Mr. LAUSCHE. Mr. President, today three members of the Korean Parliament are visiting the Senate. I am personally pleased to welcome them to this assembly.

The PRESIDING OFFICER. The Sergeant at Arms will execute the order of the Senate.

After a little delay, Mr. BREWSTER, Mr. CANNON, Mr. COOPER, Mr. MAGNUSON, Mr. MONROE, Mr. PEARSON, Mr. RUSSELL, and Mr. YARBOROUGH entered the Chamber and answered to their names.

The PRESIDING OFFICER (Mr. McINTYRE in the chair). A quorum is present.

Mr. PROXMIRE. Mr. President, without losing my right to the floor, I ask unanimous consent that I may yield to the distinguished Senator from Alaska.

The PRESIDING OFFICER. Without objection, it is so ordered.

THE DOUBLE STANDARD ON LOAN INTEREST AND A CORRECTION OF THE RECORD

Mr. GRUENING. Mr. President, on May 25, 1964, I spoke on the floor of the Senate with respect to the double standard under which U.S. dollars are loaned abroad to aid the private sector of foreign countries at the low interest rate of three-fourths of 1 percent per annum while disaster loans are made available to the victims of Alaska's Good Friday earthquake at 3 percent per annum.

My May 25 remarks were one of a number of statements I have made in the Senate on this same subject.

In this series of statements on the double standard, I have sought to make two simple points:

First, U.S. dollars have been flowing, directly, and indirectly, to aid the private industrial sector of foreign countries.

Second, many of these loans have been made directly to foreign industries at rates as low as three-fourths of 1 percent per annum. Actually, this is not

called an "interest rate" but rather a "service charge."

In my speech of May 25, I discussed the second of these points. By inadvertence, the list of projects I inserted in the RECORD was a list compiled to show the accuracy of my first point rather than my second point. I ask unanimous consent that the listing of private sector projects in various foreign countries receiving U.S. dollar aid at three-fourths of 1 percent interest or "service charge" as set forth below be substituted in the permanent RECORD on pages 11444 and 11445 for the list set forth on those pages.

There being no objection, the list was ordered to be printed in the RECORD, as follows:

Afghanistan: Loan on March 23, 1963, of \$2,625,000 to the Ariana Afghan Airlines, 49 percent of the stock of which is owned by Pan American World Airways (a private U.S. corporation) and the major portion of the remainder of the stock owned by private Afghanistan banks;

India: (a) Loan on June 28, 1962, of \$17,900,000 to the Tata Hydroelectric Power Supply Co., Ltd., and the Andra Valley Power Supply Co., Ltd. (both private companies) for the Trombay Thermal Power Station;

(b) Loan on September 25, 1962, of \$13,700,000 to the Tata Engineering & Locomotive Co., Ltd. (a private corporation) for expansion of a private truck plant;

(c) Loan on July 27, 1962, to NAPCO Bevel Gear of India, Ltd. (a private corporation) of \$2,300,000 for expansion of privately operated precision gear plant;

Egypt: Loan on April 26, 1962, of \$3 million to the Societe Misr Pour La Rayonna for the construction of a cellophane plant. This company was a private owned company, but by nationalization decree of the Egyptian Government, a controlling interest in the company was nationalized;

Brazil: (a) Loan on March 6, 1963, to the Credito e Financiamento S. A. (a private corporation) of \$4 million for the establishment of a development bank;

(b) Loan on March 11, 1963, to the Companhia De Carbonos Coloidais (a private corporation) of \$2 million for a carbon black plant;

Mexico: Loan on June 30, 1962, to the Nacional Financiera, S.A. (a private corporation) of \$20 million for supervised agricultural credit.

Mr. GRUENING. Mr. President, this is the same list of projects in the private sectors of foreign countries aided with U.S. dollars at three-fourths of 1 percent "service charge" which I brought to the attention of the Administrator of the Small Business Administration, Mr. Eugene Foley, in my letter of April 24, 1964, a copy of which I inserted in the CONGRESSIONAL RECORD on the same date.

Mr. Foley has not refuted the accuracy of those examples.

It would be difficult for Mr. Foley to do so since I have no secret sources of information on AID program loans. My information comes directly from the AID administration itself. My source of information is a booklet issued by the Agency for International Development entitled "Status of Loan Agreements as of June 30, 1963" and further identified as Document W-224. This is a public document. It is not classified. It is available for the asking by any of my colleagues as well as by the general public.

I ask unanimous consent that there be printed in the CONGRESSIONAL RECORD at this point in my remarks exact reproductions of pages 22, 32, 46, 61, and 71 from this document showing the information made public by AID on the projects listed in my letter of April 24, 1964, to Mr. Foley.

There being no objection, the document was ordered to be printed in the RECORD, as follows:

AGENCY FOR INTERNATIONAL DEVELOPMENT
Status of loans, by country from inception through June 30, 1963
NEAR EAST AND SOUTH ASIA

Country and loan number	Borrower and purpose	Date of loan agreement	Initial amortization date	Repayable (years)	Interest rate (percent)	Amount of loan agreement	Loan disbursements	Repayment of principal	Exchange rate adjustments	Balance outstanding	Interest collections
INDIA											
Loans repayable in dollars:											
386-H-056 (AID 14)	Government of India: Bendel Thermal Power.	June 21, 1962	Oct. 1, 1972	40	3 1/4	\$38,000,000.00	\$13,527,476.99			\$13,527,476.99	\$6,411.29
386-H-057 (AID 15)	Government of India: Pathardik Coal Washery.	do.	Nov. 1, 1972	40	3 1/4	4,200,000.00	3,398,223.42			3,398,223.42	8,270.49
386-H-058 (AID 16)	Government of India: 4th railways.	do.	Mar. 18, 1973	40	3 1/4	43,000,000.00	14,493,950.07			14,493,950.07	
386-H-059 (AID 30)	Premier Automobiles, Ltd.: 2d Premier auto loan.	June 28, 1962	do.	40	3 1/4	3,000,000.00					
386-H-060 (AID 33)	Delhi Cloth & General Mills Co., Ltd.: Rayon tire cord.	do.	do.	40	3 1/4	9,800,000.00					
386-H-061 (AID 34)	Government of India: Pamba-Kakki hydroelectric.	do.	do.	40	3 1/4	20,200,000.00					
386-H-062 (AID 36)	Industrial Finance Corporation of India: Development bank.	do.	do.	40	3 1/4	20,000,000.00					
386-H-063 (AID 37)	The Tata Hydroelectric Power Supply Co., Ltd., and the Andra Valley Power Supply Co., Ltd.: Trombay thermal power station.	June 28, 1962	Jan. 2, 1973	40	3 1/4	17,900,000.00	2,804,456.64			2,804,456.64	
386-H-067 (AID 48)	The Tata Engineering & Locomotive Co., Ltd.: Truck plant expansion.	Sept. 25, 1962	Mar. 28, 1973	40	3 1/4	13,700,000.00	390,287.20			390,287.20	
386-H-070 (AID 51)	NAPCO Berel Gear of India, Ltd.: Precision gear plant.	July 27, 1962	do.	40	3 1/4	2,300,000.00					
386-H-068 (AID 46)	Hindustan Motors, Ltd.: Expansion of Hindustan motor-truck plant.	Nov. 8, 1962	do.	40	3 1/4	15,800,000.00					
386-H-082	Government of India: Nonproject imports.	Feb. 25, 1963	Apr. 26, 1973	40	3 1/4	240,000,000.00	32,220,478.75			32,220,478.75	
386-H-069 (AID 50)	Government of India: Delhi C thermal power.	Mar. 8, 1963	do.	40	3 1/4	16,000,000.00					
386-H-077	Government of India: Satpura thermal power.	do.	do.	40	3 1/4	25,100,000.00					
AFGHANISTAN											
Loans repayable in dollars:											
306-B-001 (TCA 2)	Government of Afghanistan: Commodity assistance.	Jan. 8, 1953	Jan. 15, 1959	35	2 1/2	1,433,933.19	1,433,933.19	\$164,117.43		1,269,815.76	315,957.18
306-B-002 (ICAX 06-2)	Government of Afghanistan: Project assistance.	June 29, 1956	Dec. 1, 1961	40	3	5,000,000.00	5,000,000.00	7,579.80		4,992,420.20	264,374.25
306-B-003 (ICAX 06-3)	do.	June 28, 1957	April 1, 1962	40	3	5,750,000.00	5,750,000.00	8,716.77		5,741,283.23	344,913.50
306-H-004	Government of Afghanistan: Ariana Afghan Airlines.	Mar. 23, 1963	do.	40	3 1/4	2,625,000.00					
Grand total for Afghanistan.						14,808,933.19	12,183,933.19	180,414.00		12,003,519.19	925,244.93
CEYLON											
Loans repayable in local currency with MOV:											
383-B-001 (ICAX 83-1)	Government of Ceylon: Project assistance.	May 14, 1957	July 1, 1961	40	A	2,500,000.00	2,500,000.00	6,348.24		2,493,651.76	247,710.39
383-A-002 (DLF 4)	Government of Ceylon: Irrigation and land development.	June 24, 1958	June 1, 1959	20	3 1/2	1,475,942.29	1,475,942.29	251,892.58		1,224,049.71	167,347.74
383-A-003 (DLF 8)	Government of Ceylon: Highway development.	July 23, 1958	June 1, 1960	10	3 1/2	894,495.25	894,495.25	217,058.48		677,436.77	66,365.36
383-A-004 (DLF 9)	Government of Ceylon: Rehabilitation of highways.	Sept. 3, 1958	July 1, 1962	20	3 1/2	726,000.00	689,700.00	20,000.00		669,700.00	21,253.16
383-G-005 (ICAX 83-2)	Government of Ceylon: Project assistance.	Mar. 25, 1959	Jan. 1, 1964	30	B	3,320,000.00	1,243,382.32			1,243,382.32	183,677.33
383-G-006 (ICAX 83-3)	do.	Sept. 23, 1959	Sept. 1, 1964	30	3 1/2	6,000,000.00	2,932,138.81			2,932,138.81	223,058.38
383-A-007 (DLF 156)	Government of Ceylon: Airport construction.	Jan. 30, 1961	Oct. 13, 1963	20	3 1/2	165,080.00	88,412.60	10,000.00		78,412.60	1,774.44
Total.						15,081,517.54	9,824,071.27	505,299.30		9,318,771.97	911,186.80
Loans repayable in local currency without MOV (Ceylon rupees):											
383-G-008 (ICAX 83-4).	Government of Ceylon: Project assistance.	Sept. 22, 1961	do.	30	4	7,238,240.00					

Status of loans, by country from inception through June 30, 1963—Continued
NEAR EAST AND SOUTH ASIA

Country and loan number	Borrower and purpose	Date of loan agreement	Initial amortization date	Repayable (years)	Interest rate (percent)	Amount of loan agreement	Loan disbursements	Repayment of principal	Exchange rate adjustments	Balance outstanding	Interest collections
TURKEY											
Cooley loans repayable in local currency without MOV (Turkish lire):											
277-E-034	Wyeth Laboratuvarlari, A.S.: Pharmaceutical manufacturing facilities.	Oct. 22, 1962	Oct. 22, 1964	8	7	\$10,600,000.00	\$6,700,000.00			\$6,700,000.00	
277-E-038	Turk Maadin Sirketi, A.S.: Produce chrome ore and ore concentrate.	Feb. 26, 1963		5	7	7,000,000.00					
277-E-040	Yarlinea Nisasta Ve Gilkoz Fabrikalari, T.A.S.: Corn products plant.	June 5, 1963	Dec. 21, 1965	4	7	3,000,000.00	2,177,000.00			2,177,000.00	
277-E-032(C-12)	U.S. Royal Lastik Turk Anonim Sirketi: Manufacture rubber tires and tubes.	Apr. 6, 1963	Dec. 1, 1965	7½	8	11,250,000.00					
277-E-039	Chrysler Sanayi Anonim Sirketi: Establish and operate truck and passenger car manufacturing facilities.	June 18, 1963		9½	7	35,000,000.00					
Total lire.						224,466,000.00	145,126,844.00	\$22,075,677.35		123,051,168.65	\$12,111,115.74
Total U.S. dollar equivalent.						24,940,886.67	16,125,204.89	2,452,853.04		13,672,351.85	1,345,678.52
Grand total for Turkey (dollars and dollar equivalents).						603,883,002.46	355,562,537.32	5,894,405.49	(\$779,276.42)	348,888,855.41	20,889,167.99
UNITED ARAB REPUBLIC (EGYPT)											
Loans repayable in dollars:											
263-H-014 (AID 17)	Societe Misr Pour La Rayonna: Cellophane plant.	Apr. 26, 1962	Dec. 12, 1972	40	¾	3,000,000.00	680,554.73			680,554.73	2,236.29
263-H-015 (AID 18)	Government of United Arab Republic: Grain storage facilities.	Apr. 23, 1962	Sept. 27, 1972	40	¾	17,000,000.00	756,879.65			756,879.65	1,498.28
263-K-016 (AID 27-A)	Government of United Arab Republic: Economic stabilization.	June 1, 1962	Aug. 15, 1965	10	2½	20,000,000.00	10,390,789.14			10,390,789.14	25,064.98
263-K-019 (AID 27-B)	do.	Sept. 25, 1962	do.	10	2½	10,000,000.00	2,159,369.54			2,159,369.54	
263-H-020	Government of United Arab Republic: Cairo west power project.	Feb. 20, 1962		40	¾	30,800,000.00					
Total						80,600,000.00	13,987,593.06			13,987,593.06	28,799.55
BOLIVIA											
Loans repayable in local currency without MOV (Bolivian pesos):											
511-G-007 (AID 11-4)	Government of Bolivia: Project assistance.	May 7, 1962	Jan. 1, 1967	20	4	34,011,600.00	32,138,925.21			32,138,925.21	
511-G-012	Government of Bolivia: Economic development.	Apr. 4, 1963	June 1, 1967	20	¾	62,751,402.00	10,850,000.00			10,850,000.00	
511-G-013	do.	May 13, 1963		20	¾	80,777,550.00					
Total pesos.						210,817,087.00	78,255,460.21			78,255,460.21	
Total, U.S. dollar equivalent.						17,716,602.48	6,385,097.07			6,421,512.44	
Grand total for Bolivia (dollar and dollar equivalent).						41,564,751.65	15,840,486.05	30,999.49	36,415.37	15,845,901.93	44,515.86

Status of loans, by country from inception through June 30, 1963—Continued

NEAR EAST AND SOUTH ASIA

Country and loan number	Borrower and purpose	Date of loan agreement	Initial amortization date	Repayable (years)	Interest rate (percent)	Amount of loan agreement	Loan disbursements	Repayment of principal	Exchange rate adjustments	Balance outstanding	Interest collections
BRAZIL	Loans repayable in dollars:										
	512-H-004 (AID 1)-----	Nov. 20, 1961	Dec. 1, 1971	40	3 1/4	\$74,500,000.00	\$74,500,000.00			\$74,500,000.00	\$783,205.42
	512-L-007-----	Sept. 24, 1962	June 30, 1965	10	3 1/4	3,400,000.00	1,457,322.16			1,457,322.16	
	512-L-008-----	Mar. 6, 1963		40	3 1/4	4,000,000.00					
	512-L-009-----	Mar. 11, 1963		40	3 1/4	2,000,000.00					
HONDURAS	512-K-010-----	Apr. 24, 1963	May 6, 1973	40	3 1/4	25,500,000.00	25,500,000.00			25,500,000.00	
	Total-----					109,400,000.00	101,457,322.16			101,457,322.16	783,205.42
	Loans repayable in local currency with MOV: 512-G-002 (ICAX 12-2).	Dec. 31, 1956	Feb. 1, 1963	40	A	117,885,000.00	84,472,292.50			84,472,292.50	
	Loans repayable in local currency with MOV: 522-A-003 (DLF 137).	Sept. 9, 1960	Mar. 8, 1963	25	3 1/2	2,800,000.00	1,786,914.42	\$5,000.00		1,781,914.42	16,738.47
	Total-----					10,798,967.66	9,346,784.59	510,964.74		8,835,819.85	443,931.74
JAMAICA	Grand total for Honduras-----					15,048,967.66	10,596,784.59	1,010,964.74		9,585,819.85	579,647.50
	Loans repayable in dollars: 532-L-001 (AID 57)-----	Aug. 31, 1962		25	3 1/4	2,200,000.00					
	532-L-002-----	May 1, 1963		30	2	1,700,000.00					
	Grand total for Jamaica-----					3,900,000.00					
	MEXICO-----										
MEXICO	Loans repayable in dollars: 523-H-020 (AID 43).	June 30, 1962	June 19, 1973	40	3 1/4	20,000,000.00	2,000,000.00			2,000,000.00	
	Total-----					30,333,751.72	12,333,751.72			12,333,751.72	944,881.99
	Cooley loans repayable in local currency without MOV (Mexican pesos): 523-E-002 (C-23-3)-----	July 21, 1958	Feb. 1, 1960	5	10	6,082,715.42	6,082,715.42	3,747,784.82		2,334,930.60	1,397,372.24
	523-E-003 (C-23-10)-----	do-----	Aug. 1, 1960	5	10	2,990,471.08	2,990,471.08	1,200,000.00		1,790,471.08	1,123,608.24
	523-E-004 (C-23-7)-----	July 29, 1958	Feb. 1, 1960	5	10	4,900,000.00	4,900,000.00	3,360,000.00		1,540,000.00	1,591,331.53

Mr. GRUENING. Mr. President, it should be noted that on this material supplied by AID in the column headed "Borrower," in the instances I have cited there appears the name of the private company, not the foreign government.

In each instance, of course, loans at three-quarters of 1 percent interest or "service charge" amounts to an outright grant to the industry or country aided of an additional 75 percent of the face value of the loan since the United States pays about 4 percent for the money it borrows.

If we can afford to make such grants to foreign borrowers, why can we not make similar grants by way of three-quarters of 1 percent interest loans through the Small Business Administration to the victims of Alaska's disastrous earthquake of 1964?

Attempts have been made to pooh-pooh the notion that the rate of interest is important to disaster victims in Alaska and that they are most happy to receive disaster loans from the Small Business Administration at 3 percent interest.

Those who take such an approach overlook the congressional intent in providing for Small Business Administration disaster loans. If the Congress had intended the interest rate for such disaster loans to be set at 3 percent it would have so specified in the legislation.

But the Congress did not do that.

As the able and distinguished senior Senator from South Carolina has stated, the intent of Congress in giving the Administrator of the Small Business Administration discretion to set interest rates on disaster loans at rates up to a maximum of 3 percent was to give the Administrator discretion to vary the rate up to that maximum rate to tailor the aid to suit the circumstances of individual disaster victims. Senator JOHNSTON's statement on the floor of the Senate as to the intent of the Congress is certainly the best evidence of such intent, since he is the author of the disaster loan provision of the Small Business Administration law.

Of course the disaster victims in Alaska are pleased to be granted small business loans at 3 percent. They are pleased with and grateful for all the assistance given them by their solicitous fellow Americans since disaster struck them on Good Friday last. But gratitude is not the issue.

The issue is whether the disaster program of the Small Business Administration is being administered according to the intent of the Congress so as to bring the greatest measure of relief to the victims of disasters. That is the issue.

In the words of the author of the disaster provision of the Small Business Administration law:

Some borrowers were being charged a 5-percent rate of interest. We believed that was too much. So we put the figure 3 where the figure 5 had been, with the understanding that borrowers could be charged even less than that amount.

I hope the Senator will continue to tell Senators about the problems in his State,

especially in connection with the recent earthquake there. We should let them have these loans as cheaply as they can get them anywhere else in the world.

"Anywhere else in the world," indeed all over the world the United States has been making loans at three-fourths of 1 percent under our foreign assistance program.

Why not equal treatment to Americans who have been the victims of unprecedented disaster.

The mandate to the Small Business Administrator from the Congress is clear. I hope it will be carried out.

DEFENSE OF THEIR COUNTRY: YES—VIETNAM: NO

Mr. GRUENING. I am in receipt of an advertisement published in the New York Herald-Tribune which I think should be taken seriously by our legislators.

It contains the names of young men from a great variety of States in the Union who underscore the policies espoused by Senator MORSE and by me, and say that they would refuse to fight against the people of Vietnam.

I feel they are quite right. As I have repeatedly stated, this is not our war, and all of Vietnam is not worth the life of a single American boy.

I might point out that since the war in Vietnam is an undeclared war and one on which the Congress has taken no action, these young men of draft age cannot be charged with disloyalty or any corresponding offense.

I ask unanimous consent that this advertisement be placed in the RECORD at the conclusion of my remarks.

There being no objection, the advertisement was ordered to be printed in the RECORD, as follows:

We the undersigned are young Americans of draft age. We understand our obligations to defend our country and to serve in the Armed Forces but we object to being asked to support the war in South Vietnam.

Believing that U.S. participation in that war is for the suppression of the Vietnamese struggle for national independence, we see no justification for our involvement. We agree with Senator WAYNE MORSE, who said on the floor of the Senate on March 4, 1964, regarding South Vietnam, that "We should never have gone in. We should never have stayed in. We should get out."

Believing that we should not be asked to fight against the people of Vietnam, we herewith state our refusal to do so.

(Below is a partial list:)

Kim Allen, Massachusetts; Victor Alonso, New York; Robert Apter, New York; Robert Ault, Massachusetts; John H. M. Austin, Connecticut; Barry Barlow, Oregon; Peter Barnett, Pennsylvania; Lee Baxandall, New York; Bernard Berman, Pennsylvania; Jacob Bernstein, Massachusetts; Dean R. Billing, California; Hugh Blachly, Pennsylvania; Harvey Blume, New York; Stephen Bonime, Robert Bott, Jeff Briggs, Pennsylvania; Frank Brodhead, Larry Brownstein, Connecticut; Leland Bruch, Oregon; Charles Buchanan, New Jersey; James Bundy, Pennsylvania; Edward Campbell, Connecticut; B. Catalinotto, New York; Thomas Christy, Edward Christy, Pennsylvania; Edward Clark, Kentucky; Kenneth Clouse, Pennsylvania; John Coatsworth, Wisconsin; M. Covian, Salvatore Cucchiari, Peter Cummings, New York; Robert D'Amato,

Massachusetts; Doyle Davis, Pennsylvania; James Drinkhall, California; Roger Eason, Robert Eisenberg, Pennsylvania; John Ewell, Connecticut; Joe Eyer, Pennsylvania; David French Feingold, Illinois; Douglas Ferguson, California; Shannon Ferguson, Connecticut; H. Quin Foreman, Peter H. Freeman, New York; Robert Galloway, James Garahan, Pennsylvania; Jeremiah Gellas, New York; Frank Ghigo, Pennsylvania; Andrew Goodman, Marcus Gordon, New York.

Marc Graham, Connecticut; Edmund Hazard, Michael Hedgepeth, Pennsylvania; Harold Hill, Oliver Holmes, Illinois; Alfred Hopkins, New York; Christopher Horton, Illinois; Robert Hume, Pennsylvania; Douglas Ireland, New York; Lance Jackson, Pennsylvania; John Jaros, David Jette, James Johnson, Dan Kalb, New York; Harvey Kahn, Massachusetts; Martin Kanner, New York; Clark Kissinger, Wisconsin; Robert Klein, Pennsylvania; Richard Kling, Illinois; David Koteen, Pennsylvania; Levi Lee Laub, New York; B. Daniel Larkin, Pennsylvania; Carl Laws, Maine; Edward Lemansky, North Carolina; Donald Leslie, Oregon; William Levy, Illinois; James Lewark, Jr., Louisiana; Victor Lipit, Connecticut; Eric Lob, Pennsylvania; Phillip Abbott Luce, Shelbourne Lyman, New York; Andrew MacEwan, Illinois; Albert Maher, Texas; William Malandra, Pennsylvania; David B. Martin, California; Richard Martin, Massachusetts; Paul Mattick, Jr., Pennsylvania; Melvyn Maurer, Robert V. Maxwell, Don McKelvey, New York; John Meeks, Pennsylvania; Alvin Meyer, Gerald Meyer, New Jersey; Paul Miller, Charles Mills, Pennsylvania; George Mitchell, Illinois; James D. Moue, Wisconsin; H. D. Muller, New York; Anthony Murad, California; Martin Nicolaus, Massachusetts.

Theodore A. Ostrow, Peter Owins, New York; Robert Pardum, Colorado; William Parham, Connecticut; Ronald Payne, Massachusetts; David W. Piper, Pennsylvania; Robert A. Potter, Kentucky; David Raboy, Massachusetts; David Raskin, Connecticut; Frank Redfield, R. M. Rhoads, New York; Martin Reisberg, Illinois; Nathan Riley, Massachusetts; Charles Rosen, New York; Jacob Rosen, Georgia; Anthony Rosner, Pennsylvania; Jeffrey Roven, New York; Ralph Sacks, Wisconsin; Michael Samberg, Eric Schutz, New York; Larry Seigle, Minnesota; Jeffrey Shero, Texas; Joel A. Shuflo, Illinois; Charles M. Smith, Texas; Peter Snider, Vermont; Ben Stackler, Illinois; Russell Stetler, Jr., Pennsylvania; Eugene Straus, Reed Straus, New York; Allen Strasburger, New Jersey; William Tabb, Wisconsin; Roger Taus, John J. Thomson, New York; Frank Thompson, Oregon; Mark Tishman, Jack Trompeter, New York; Bruce Tulloch, Pennsylvania; Kent A. Valen, Massachusetts; Richard Van Berg, Richard Van Brunt, Pennsylvania; Doug Wagner, Illinois; David Watts, Pennsylvania; R. Wax, Jerry Weinberg, New York; Charles Weinstein, Massachusetts; Jim Williams, Kentucky; Allan Williamson, Pennsylvania; Robert Wright, District of Columbia; David R. Yale, New York; Philip Zaret, Michigan.

Mr. PROXMIER. Mr. President, I ask unanimous consent that I may yield to the distinguished senior Senator from Iowa without losing my right to the floor.

The PRESIDING OFFICER. Without objection, it is so ordered.

CIVIL RIGHTS ACT OF 1963

The Senate resumed the consideration of the bill (H.R. 7152) to enforce the constitutional right to vote, to confer jurisdiction upon the district courts of the United States to provide injunctive

relief against discrimination in public accommodations, to authorize the Attorney General to institute suits to protect constitutional rights in public facilities and public education, to extend the Commission on Civil Rights, to prevent discrimination in federally assisted programs, to establish a Commission on Equal Employment Opportunity, and for other purposes.

AMENDMENT NO. 888

Mr. HICKENLOOPER. Mr. President, first I send to the desk an amendment to strike sections 404, 405, and 406 of the House bill, and ask unanimous consent that it may be considered as having been read.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HICKENLOOPER. I ask unanimous consent that it may be numbered, and that the number may be inserted in the unanimous-consent request at the appropriate point when I refer to it later.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment (No. 868) is as follows:

On page 15, beginning with line 12, strike out all through line 24 on page 16.

AMENDMENT NO. 889

Mr. HICKENLOOPER. Mr. President, I ask unanimous consent that the Senator from Kentucky [Mr. MORTON] be permitted to file an amendment at the desk under the terms that he requested. These two amendments should carry numbers which would connect them with the unanimous-consent request which I shall propose in a moment. But I should like to make a preliminary statement before presenting the unanimous-consent request.

The PRESIDING OFFICER. Is there objection? The Chair hears none. It is so ordered.

Mr. MORTON. Mr. President, I ask unanimous consent that the amendment be filed, printed, be permitted to lie at the desk and considered as read. I further ask unanimous consent that when the amendment is assigned a number, that number be placed among those assigned to the amendments of the Senator from Iowa.

The PRESIDING OFFICER. The amendment will be received and printed, and will lie on the table; and without objection, will be considered as read.

The amendment No. 869 reads as follows:

On page 2, beginning with line 1, strike out all through line 8 on page 3.

On page 3, strike out all of line 9 and insert in lieu thereof:

"TITLE XI—JURY TRIALS OF CRIMINAL CONTEMPTS"

On page 3, strike out lines 10 through 16, and insert the following:

"SEC. 1101. In any proceeding for criminal contempt arising under title II, III, IV, V, VI, or VII of this Act, the accused, upon demand therefor, shall be entitled to a trial by jury, which shall conform as near as may be to the practice in criminal cases. Upon conviction, the accused shall not be fined more than \$1,000 or imprisoned for more than six months."

On page 3, line 17, strike out the single quote before "This".

On page 3, line 22, strike out the single quote before "Nor".

On page 3, lines 22 and 23, strike out "or in any other provision of law".

On page 4, line 4, strike out the single quote.

On page 4, line 5, strike out "1103" and insert "1102".

Mr. HICKENLOOPER. Mr. President, many Senators are not particularly happy with many provisions of the House bill as it came over. Some of those objections will carry over to certain provisions of the so-called package amendment in the nature of a substitute which has been laid down.

There has been a great deal of discussion over the past many weeks. There has been a great deal of discussion about reaching a vote on amendments. Some of us who have convictions no deeper than the convictions of other Senators—but we happen to have some similar convictions about some of these matters—have been discussing the desirability, the advantage, and the propriety of asking the indulgence of the Senate, and the permission of the Members of the Senate to be able to vote on certain amendments which we believe to be very important. Regardless of whether Senators vote for them or against them, we would like to proceed to vote on these amendments.

Mr. President, I believe I speak for approximately 20 Senators on this side of the aisle. There are about 3 whom I have not directly consulted on this matter, but there are about 17 with whom I have talked. So I am speaking from direct contact and personal expression on their part. I cannot quote the other three to whom I shall be referring, nor can I say exactly how they feel. But I know enough about their thinking to say that I believe they are in full sympathy with this procedure. They are concerned. Many of them have not made up their minds what they will or will not do in connection with future action on the bill. Some have. But there is a substantial number whose minds have not been fully crystallized, and who are concerned. Therefore we have the proposal or suggestion that three amendments which have been thrashed out from among a good many might receive the indulgence of the Senate by way of a vote.

I am well aware that probably all of us have various types of amendments, corrections, or alterations which we would like to see made to many sections of the bill. Legislation is not necessarily always exactly as each Member would like to have it. But the amendments which I will propose for consideration under a unanimous-consent request do represent some important approaches to the bill. And as I say, without in any way having a unanimous-consent request to commit any Senator to a vote on either side of an amendment, or on any future action here, the burden and thrust of this presentation is that there will be 2 hours to a side for a discussion of the three particular amendments, and then will vote.

I will attempt to read the unanimous-consent request, Mr. President. I cannot

yet fill in the numbers of the jury trial amendments unless they are now at the desk.

The PRESIDING OFFICER. The numbers are now available.

Mr. HICKENLOOPER. I thank the Chair. I have the numbers assigned to the respective amendments.

Therefore, I am prepared to make this request. I hope the Senate will indulge me if I read this request, rather than send it to the desk at the moment, because there may be some amplifying explanation as we go through it.

I submit the following proposed unanimous consent agreement:

UNANIMOUS-CONSENT REQUEST

I request unanimous consent that:

1. On Monday, June 8, next, beginning at 2 p.m. the Senate proceed to the consideration of amendment No. 869, proposed to the pending bill with debate limited to 2 hours on a side, to be controlled by the proponent of the amendment and the majority leader respectively; that the conclusion of such 4-hour debate, vote on the amendment shall be postponed until immediately after the ascertaining of a quorum following the convening of the Senate on Tuesday, June 9, next.

2. That immediately following such vote the Senate shall proceed to the consideration of amendment No. 868 to strike sections 404, 405, and 406 to H.R. 7152 with 2 hours debate limitation on each side as proposed and to be controlled as provided in 1 above and that at the conclusion of such debate the Senate shall proceed to vote on said proposed amendment.

3. That following such vote the Senate shall proceed to take up amendment No. 606 (referred to as Cotton amendment) proposing to limit the jurisdiction of the Federal Government to employers of 100 employees (under the formula in such provision) and that debate be limited as in 1 and 2 above to 2 hours on each side, the time controlled as provided in 1 above; and that immediately following the termination of such 4-hour debate, the Senate proceed to vote on said proposed amendment.

4. Provided further, that the time consumed by any amendment or substitute (if eligible) proposed to any of said three amendments referred to in 1, 2, or 3, above, shall be included in, and not be in addition to, the debate limitation time above provided for; provided further, that any proposed amendments or substitutes (if eligible) to each of said proposed amendments referred to as 1, 2, or 3 shall be germane thereto.

I shall now proceed to discuss the unanimous-consent agreement in detail. The first part reads:

Mr. President, I request unanimous consent that (1) on Monday, June 8, next, beginning at 2 p.m., the Senate proceed to the consideration of amendment No. 869—

Parenthetically that is the jury amendment proposed by the Senator from Kentucky—

proposed to the pending bill, with debate limited to 2 hours on a side, to be controlled by the proponent of the amendment and the majority leader respectively; that at the conclusion of such 4-hour debate, vote on the amendment shall be postponed until immediately after the ascertaining of a quorum following the convening of the Senate on Tuesday, June 9, next.

I think I should explain to Senators the reason for that rather unusual procedure or request. A long time ago, Members of the Senate who have oc-

S. 2881

IN THE SENATE OF THE UNITED STATES

JUNE 3 (legislative day, MARCH 30), 1964

Referred to the Committee on Interior and Insular Affairs and ordered to be printed

AMENDMENTS

Intended to be proposed by Mr. GRUENING (for himself and Mr. BARTLETT) to S. 2881, a bill to amend the Alaska Omnibus Act to provide assistance to the State of Alaska for the reconstruction of areas damaged by the earthquake of March 1964 and subsequent seismic waves, and for other purposes, viz:

1 (1) On page 5, line 16, insert the following after 56:

2 “(a)”.

3 (2) On page 6, after line 3, insert the following:

4 “(b) The Housing and Home Finance Administrator
5 is authorized to purchase, in accordance with the provisions
6 of sections 202 (b), 203, and 204 of title II of the Housing
7 Amendments of 1955, the securities and obligations of the
8 State of Alaska authorized to be issued, but not issued, before
9 March 27, 1964, to finance the capital improvement program

AMENDMENTS

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JUNE 3 (legislative day, MARCH 30), 1964

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Affairs and ordered to be printed

1 of the State of Alaska, in an amount not to exceed
2 \$11,624,000.”

S. 2881

IN THE SENATE OF THE UNITED STATES

JUNE 3 (legislative day, MARCH 30), 1964

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AMENDMENT

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- 1 On page 4, line 17, add the following: "The Adminis-
- 2 trator may increase the capital grant for a project assisted
- 3 under this section to not more than 90 per centum of net
- 4 project cost where he determines that a major portion of
- 5 the project area has either been rendered unusable as a result
- 6 of the 1964 earthquake and subsequent seismic waves or is
- 7 needed in order adequately to provide, in accordance with the
- 8 urban renewal plan for the project, new locations for persons,
- 9 businesses, and facilities displaced by the earthquake."

Amdt. No. 801

Amdt. No. 801

88TH CONGRESS
2D SESSION

S. 2881

AMENDMENT

Intended to be proposed by Mr. GRUENING (for himself and Mr. BARTLETT) to S. 2881, a bill to amend the Alaska Omnibus Act to provide assistance to the State of Alaska for the reconstruction of areas damaged by the earthquake of March 1964 and subsequent seismic waves, and for other purposes.

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S. 2881

IN THE SENATE OF THE UNITED STATES

JUNE 3 (legislative day, MARCH 30), 1964

Referred to the Committee on Interior and Insular Affairs and ordered to be printed

AMENDMENT

Intended to be proposed by Mr. GRUENING (for himself and Mr. BARTLETT) to S. 2881, a bill to amend the Alaska Omnibus Act to provide assistance to the State of Alaska for the reconstruction of areas damaged by the earthquake of March 1964 and subsequent seismic waves, and for other purposes, viz:

- 1 On page 4, line 17, insert the following at the end of the
- 2 sentence: "The Administrator is authorized to approve pay-
- 3 ments for urban renewal projects in Alaska on the basis of
- 4 the value of the property prior to March 27, 1964."

Amdt. No. 802

AMENDMENT

Intended to be proposed by Mr. GRUENING (for himself and Mr. BARTLETT) to S. 2881, a bill to amend the Alaska Omnibus Act to provide assistance to the State of Alaska for the reconstruction of areas damaged by the earthquake of March 1964 and subsequent seismic waves, and for other purposes.

JUNE 3 (legislative day, MARCH 30), 1964

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Affairs and ordered to be printed

S. 2881

IN THE SENATE OF THE UNITED STATES

JUNE 3 (legislative day, MARCH 30), 1964

Referred to the Committee on Interior and Insular Affairs and ordered to be printed

AMENDMENT

Intended to be proposed by Mr. GRUENING (for himself and Mr. BARTLETT) to S. 2881, a bill to amend the Alaska Omnibus Act to provide assistance to the State of Alaska for the reconstruction of areas damaged by the earthquake of March 1964 and subsequent seismic waves, and for other purposes, viz:

- 1 On page 6, line 3, change the period to a colon and
- 2 insert the following: "*Provided further*, That the terms
- 3 of repayment of such securities and obligations or loans
- 4 shall be as follows: Repayment of the principal sum in fifty
- 5 years from the date of the borrowing payable in equal
- 6 annual payments beginning ten years after the money is
- 7 lent at an annual interest rate not to exceed three-fourths
- 8 of 1 per centum on the unpaid balance."

Amdt. No. 803

Amdt. No. 803

88TH CONGRESS
2d Session

S. 2881

AMENDMENT

Intended to be proposed by Mr. Gruening (for himself and Mr. Bartlett) to S. 2881, a bill to amend the Alaska Omnibus Act to provide assistance to the State of Alaska for the reconstruction of areas damaged by the earthquake of March 1964 and subsequent seismic waves, and for other purposes.

JUNE 3 (legislative day, MARCH 30), 1964

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Affairs and ordered to be printed

Senate

June 9, 1964

including "a rollback of imports...stepped up purchases...sales promotion... and the proposed establishment of a Commission on Food Marketing." pp. 12673-4

14. TOBACCO. Sen. Neuberger commended the appointment of former Gov. Meyner as administrator of the cigarette advertising code, and discussed certain provisions of the "code." pp. 12667-8
15. CIVIL RIGHTS. Continued debate on H. R. 7152, the civil rights bill. pp. 12610-58, 12678-9, 12686-94
16. ALASKA. Sen. Gruening submitted an amendment intended to be proposed to S. 2881, to amend the Alaska Omnibus Act so as to provide assistance to Alaska for reconstruction because of earthquake damage. p. 12661
Sen. Gruening inserted an article stating there is a "need for an emphasis on development planning and reconstruction" in Alaska. p. 12665-7
Sen. Gruening inserted a National Congress of Parents and Teachers resolution urging long-term, low-interest-rate loans for Alaska's disaster victims. p. 12667
17. WATER RESOURCES. Sen. Neuberger commended approval by the Canadian House of Commons of a resolution approving the treaty for joint U. S.-Canadian development of the water resources of the upper Columbia River. pp. 12668-9
18. AIR POLLUTION. Sen. Metcalf inserted an address by Sen. Muskie reviewing recent developments in the field of air pollution control. pp. 12672-3
19. GRANTS-IN-AID. As reported (see Digest 110), S. 2114, to provide for periodic congressional review of Federal grants-in-aid to States and to local governments, includes provisions as follows:

Provides for expiration in the fifth calendar year beginning after the effective date of any act of Congress enacted in the 89th or any subsequent Congress authorizing the making of grants-in-aid to two or more States or to political subdivisions of two or more States if no expiration date for such authority is specified by law. Provides that the term "any act of Congress enacted in the 89th or any subsequent Congress***authorizing the making of grants-in-aid" shall also include new categories of grant assistance added to programs enacted prior to the effective date of this act.

Provides for review by congressional committees of expiring grant programs subject to the act during the period of not less than 12 months or more than 24 months prior to the expiration date. The committees are charged with the responsibility of assessing--among other things--the extent to which the purposes for which the grants-in-aid are authorized have been met; the degree to which such programs can be carried on without further financial assistance from the Federal Government; and whether any changes in the purpose, direction, or administration of the original program or in its procedures or requirements should be made to conform to recommendations submitted by the Comptroller General or the Advisory Commission on Intergovernmental Relations. It further provides for the submission of committee reports to the respective Houses not later than 120 days before the program expiration date.

Provides that the Comptroller General shall make continuing studies of existing and future grant programs to determine the extent to which program conflict and duplication can be eliminated and more effective, efficient, economical, and uniform administration can be achieved. It provides further that the Comptroller General shall assess, among other relevant matters "the

equalization formulas, and the budgetary, accounting, reporting, and administrative procedures applicable to such programs." Provision is also made to insure that the Comptroller General--to the extent practicable--will submit reports on such studies in the year prior to the date set for program expiration.

Provides for studies of the intergovernmental relations aspects of future programs by the Advisory Commission on Intergovernmental Relations and reporting of its findings and recommendations to the appropriate committee. The Commission will conduct its studies only upon request.

Provides that each recipient of Federal grant-in-aid assistance under any act enacted after the effective date of this act or under any extension, modification, or alteration of any existing grant-in-aid agreement pursuant to existing law shall keep such records as a Federal agency administering such grants shall prescribe. It further authorizes the head of the Federal agency administering such grant and the Comptroller General of the United States to have access for the purpose of audit and examination to any books, documents, papers, and records of the recipients subject to this section.

ITEMS IN APPENDIX

20. POVERTY. Sen. Thurmond inserted an article; "Freemen Can Whip Poverty," which states that "Government-made work will not defeat poverty. Free enterprise jobs can." p. A3081
Rep. Devine inserted an article critical of the proposed poverty program. pp. A2083-4
21. LUMBER. Extension of remarks of Rep. Westland inserting a letter documenting the extent of foreign competition in the lumber industry. p. A3082
22. FARM LABOR. Extension of remarks of Rep. Talcott inserting a constituent's letter to the Dept. of Labor urging a solution to the problem of providing adequate farm labor during peak harvesting seasons. p. A3088
23. DAIRY IMPORTS. Extension of remarks of Rep. Westland stating that "dairy farmers in my district are deeply concerned about inroads on American markets being made by foreign imports," and inserting a resolution calling for a revision of dairy import quotas. pp. A3092-3
24. EXTENSION WORK. Extension of remarks of Rep. Westland inserting an editorial "which examines the fusing of programs in the Department of Agriculture with particular emphasis on agriculture extension work." and suggesting that Congress urge highly technical aid within extension, while at the same time separating agricultural from nonagricultural functions. pp. A3096-7
25. WATER. Rep. Martin inserted a report on the record of water conservation in the Colorado River Basin. pp. A3098-9
26. HOUSING. Extension of remarks of Rep. Randall inserting an address by Sen. Symington during dedication ceremonies for a new home for the elderly in Concordia, Mo., in which he gave "interesting statistics concerning the aging and their income in rural areas." p. A3103
27. FOREIGN TRADE. Rep. Brademas inserted a constituent's letter reporting on his agriculture tour of Common Market countries in which he stated that "England is moving in the direction of the consumer ultimately paying the entire cost of farm program. That is as it should be especially regarding any price supports." p. A3106

S. 2881

IN THE SENATE OF THE UNITED STATES

JUNE 9 (legislative day, MARCH 30), 1964

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AMENDMENT

Intended to be proposed by Mr. GRUENING to S. 2881, a bill to amend the Alaska Omnibus Act to provide assistance to the State of Alaska for the reconstruction of areas damaged by the earthquake of March 1964 and subsequent seismic waves, and for other purposes, viz:

- 1 On page 3, line 19, add after the word "property" the
- 2 words "or loss of income."

Amdt. No. 1045

S. 2881

AMENDMENT

Intended to be proposed by Mr. GRUTENING to S. 2881, a bill to amend the Alaska Omnibus Act to provide assistance to the State of Alaska for the reconstruction of areas damaged by the earthquake of March 1964 and subsequent seismic waves, and for other purposes.

JUNE 9 (legislative day, MARCH 30), 1964

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CIVIL RIGHTS—AMENDMENTS

AMENDMENT NO. 943

Mr. CASE (for himself and Mr. CLARK) submitted amendments, intended to be proposed by them, jointly, to the amendment in the nature of a substitute (No. 656) intended to be proposed by Mr. DIRKSEN (for himself and other Senators) to the bill (H.R. 7152) to enforce the constitutional right to vote, to confer jurisdiction upon the district courts of the United States to provide injunctive relief against discrimination in public accommodations, to authorize the Attorney General to institute suits to protect constitutional rights in public facilities and public education, to extend the Commission on Civil Rights, to prevent discrimination in federally assisted programs, to establish a Commission on Equal Employment Opportunity, and for other purposes, which was ordered to lie on the table and to be printed.

AMENDMENTS NOS. 944 AND 945

Mr. RUSSELL submitted an amendment (No. 944), intended to be proposed by him, to the amendment in the nature of a substitute (No. 656) intended to be proposed by Mr. DIRKSEN (for himself and other Senators) to H.R. 7152, which was ordered to lie on the table and to be printed.

Mr. RUSSELL also submitted an amendment (No. 945), intended to be proposed by him, to H.R. 7152, the so-called civil rights bill, which was ordered to lie on the table and to be printed.

AMENDMENTS NOS. 946 THROUGH 963

Mr. TOWER submitted amendments (Nos. 946 through 963), intended to be proposed by him to the amendment in the nature of a substitute (No. 656), intended to be proposed by Mr. DIRKSEN (for himself and other Senators) to H.R. 7152, the so-called civil rights bill, which were ordered to lie on the table and to be printed.

AMENDMENTS NOS. 964 THROUGH 1007

Mr. LONG of Louisiana submitted 44 amendments (Nos. 964 through 1007), intended to be proposed by him to the amendment in the nature of a substitute (No. 656) intended to be proposed by Mr. DIRKSEN (for himself and other Senators) to H.R. 7152, the so-called civil rights bill, which were ordered to lie on the table and to be printed.

AMENDMENTS NOS. 1008 THROUGH 1013

Mr. LONG of Louisiana also submitted six amendments (Nos. 1008 through 1013), intended to be proposed by him, to H.R. 7152, the so-called civil rights bill, which were ordered to lie on the table and to be printed.

AMENDMENTS NOS. 1014 THROUGH 1036

Mr. THURMOND submitted 23 amendments (Nos. 1014 through 1036), intended to be proposed by him, to the amendment in the nature of a substitute (No. 656) intended to be proposed by Mr. DIRKSEN (for himself and other Senators) to H.R. 7152, the so-called civil rights bill, which were ordered to lie on the table and to be printed.

AMENDMENT NO. 1037

Mr. THURMOND also submitted an amendment (No. 1037), intended to be proposed by him, to H.R. 7152, the so-called civil rights bill, which was ordered to lie on the table and to be printed.

AMENDMENTS NOS. 1038 AND 1039

Mr. STENNIS submitted two amendments (Nos. 1038 and 1039), intended to be proposed by him to H.R. 7152, the so-called civil rights bill, which were ordered to lie on the table and to be printed.

AMENDMENT NO. 1040

Mr. STENNIS also submitted an amendment (No. 1040), intended to be proposed by him, to the amendment in the nature of a substitute (No. 656) intended to be proposed by Mr. DIRKSEN (for himself and other Senators) to H.R. 7152, the so-called civil rights bill, which was ordered to lie on the table and to be printed.

AMENDMENTS NOS. 1041 THROUGH 1044

Mr. COOPER submitted four amendments (Nos. 1041 through 1044), intended to be proposed by him, to the amendment in the nature of a substitute (No. 656) intended to be proposed by Mr. DIRKSEN (for himself and other Senators) to H.R. 7152, the so-called civil rights bill, which were ordered to lie on the table and to be printed.

AMENDMENT OF ALASKA OMNIBUS ACT—AMENDMENT

AMENDMENT NO. 1045

Mr. GRUENING submitted an amendment, intended to be proposed by him, to the bill (S. 2881) to amend the Alaska Omnibus Act to provide assistance to the State of Alaska for the reconstruction of areas damaged by the earthquake of March 1964, and subsequent seismic waves, and for other purposes, which was received, ordered to be printed, and referred to the Committee on Interior and Insular Affairs.

ADDRESSES, EDITORIALS, ARTICLES, ETC., PRINTED IN THE APPENDIX

On request, and by unanimous consent, addresses, editorials, articles, and so forth, were ordered to be printed in the Appendix, as follows:

By Mr. THURMOND:

Open letter to the Senate on proposed civil rights legislation, written by Mr. Hamilton A. Long.

Editorial entitled "Freemen Can Whip Poverty," published in the Greenville News of June 6, 1964.

ADDRESS BY FORMER PRESIDENT EISENHOWER AT GOVERNORS' CONFERENCE, CLEVELAND, OHIO, JUNE 8, 1964

Mr. GOLDWATER. Mr. President, last night, in Cleveland, Ohio, speaking before the Governors' Conference, former President Dwight D. Eisenhower gave a very thought-provoking speech on

States' rights and the general problems facing America today as he sees them.

I ask unanimous consent to have his address printed in the RECORD.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

SPEECH OF GEN. DWIGHT D. EISENHOWER, GOVERNORS' CONFERENCE, CLEVELAND, OHIO, JUNE 8, 1964

As in periods of contemplation, I reflect over my own lifetime of experiences and those of others, I have grown ever more convinced that the human family rises or falls according to fidelity to a few religious, political and ethical principles which have persisted, and been reaffirmed, in almost every epoch of history.

Stated very simply, they include faith in the Almighty; respect for your neighbor; men are created equal; the individual is the most important element in a free society; freedom and justice are inseparable; responsibility accompanies privilege; liberty is man's most valuable possession; and character is the measure of his worth.

Sure progress toward an evermore satisfying life depends, I believe, upon how well men—and Nations, too—can discipline themselves to adhere to such unchanging truths.

Since time unending, it has been such fundamentals of faith and conduct that have kept alive the hopes of the world's multitudes that some day there might be achieved a worldwide reign of peace, of justice, of individual liberty, of satisfaction of human need.

Merely to state this timeless yearning of mankind is to summon to our minds visions of work and effort and partial defeat—and then still more work and still more effort.

To reach the summit of our hopes it is the human lot, regardless of disappointments and fatigue, to disdain the plateaus of ease and the downward slopes of complacency, for we have learned from ages past that these, in spite of their enticing foreground, dead end, inevitably, in despair and anguish.

Yet, to many among us in these times, the plateaus and slopes seem to have an irresistible appeal.

Viewed in this perspective, the developing posture of our country cannot comfort any thoughtful person, in or out of government.

In pondering the reasons for this modern trend, my mind goes back to almost two centuries ago, when a youthful colonist, destined for immortality, took up his pen to define his concept of the inalienable rights of free men.

In the golden words of Thomas Jefferson, these rights included "life, liberty and the pursuit of happiness."

It is clear, I believe, that he was one who did not equate happiness with affluence, self-indulgence, or idleness, but we wonder, whether in some modern misinterpretation of this revered phrase—known to every generation of Americans from childhood—is to be found the origin of some of our anxieties today.

Had Jefferson foreseen any possibility that "pursuit of happiness" might one day be read as justifying selfish and empty purposes, I suspect he would have, at the very least, added a footnote of explanation, if not of caution, for our current benefit.

A famous Frenchman once said, "Liberty is the opportunity for self-discipline."

How right he was—for certain it is that self-discipline, national and personal, is indispensable to the long-term survival of freedom.

But discipline is not necessarily compatible with the short-range pursuit of happiness.

Indeed, in some circumstances, self-discipline requires self-denial and fortitude and a willingness to forgo the heart's immediate desire.

But if, in the long view, Jefferson's "pursuit of happiness" is to be construed—as he intended—to mean self-control today that there may be stability and progress tomorrow, then the phrase stands as a noble expression of a national aim.

If we let it mean self-indulgence today, at the expense of tomorrow, then the term could well lead us astray.

Now, to me, self-indulgence includes failure to fulfill the recognized responsibilities of citizenship.

It is the worst form of laziness and leads, inevitably, to centralization of power.

That power corrupts, and absolute power corrupts absolutely, is wisdom distilled from ages of tragic human experience.

It was in that wisdom that the forefathers built a system to perpetuate the capability of the citizen to govern himself—a system in which the exercise of power would be so dispersed and so counterbalanced that no one person and no one group could dominate others.

The system requires that each citizen, to the utmost of his ability, be an individual of responsibility, and of sturdy self-reliance.

The delicately balanced structure which our forebears so painstakingly contrived was intended to insure us against ourselves—that, in this land, liberty would survive.

And survive it has, for two centuries, an achievement that is today the core of our heritage.

But I repeat my opinion that in the current century we have begun noticeably to breach the barricades, erected with such care nine score years ago in Philadelphia, against the propensity within us to destroy liberty.

The divergence, deliberate or not, from the guidelines laid down by the Founding Fathers has grown apace, and the end is not in sight.

Twelve years ago I put aside the Nation's uniform, worn for 40 years, in a pledge to help restore political balance to a system that, in my personal view was becoming definitely tilted toward one philosophy and one grouping in our society, both leading toward an all-pervasive Federal intrusion into our lives.

For 8 years thereafter in the Presidency, a constant purpose and a constant striving were to fulfill that pledge.

I would like here to recite a few of the directions into which our efforts were channeled during those years, not as self-justification (and, of course, there were defeats as well as successes) but to provide a backdrop for a specific proposal I made 7 years ago to a body similar to this, and for other proposals I shall suggest today.

Beginning in 1953 the then new administration sought, for example, to reestablish a national respect for the Congress of the United States as an equal partner in the tripartite Federal structure. In this there was measurable success.

But balance is essential not only among the executive, legislative, and judicial branches of government, it is equally necessary for satisfactory relations between the several echelons of government.

Our 8-year program to shore up the structure of liberty included many things—discouragement of direct appeals to Washington by lesser officials than Governors; efforts to restore farming to farmers; better protection of the rights of individual workers; establishment of workable partnerships in power development; and reaching into such things as elimination of various forms of governmental competition with private enterprise, development of cooperative programs

to improve health and education, and a myriad of others.

As part of the entire effort we worked to harness Federal spending to demonstrated need, and so help protect the value of the citizen's savings. This effort, though far from the results I had envisioned, resulted promptly in a budgetary surplus, permitting a then unmatched tax reduction with larger revenue sources for the States.

All these measures comprised a package of apparently unrelated items; but all were threaded on one theme—the commonsense redirection of citizen interest to his own responsibilities; to his own locality's affairs, his own State's affairs, and limitation of the Federal Government to its intended role. The specific proposal of 7 years ago to which I adverted earlier and which relates directly to this meeting was initiated in an address before a conference of your predecessors in the capital of colonial Virginia at Williamsburg.

Time and time again over the earlier years of my administration I had met with State Governors singly and in groups.

Invariably we agreed on the theory of returning more power, more responsibility, more tax revenues to the States.

In practice, however, difficulties—sometimes apparently insuperable—always presented themselves.

Finally at Williamsburg I suggested that the Governors' conference and the Federal administration together create a joint committee, charged with three responsibilities:

First, to identify specific functions for the States to assume and finance that were then performed or financed wholly or in part by the Federal Government;

Second, to recommend Federal and State revenue adjustments so that the States could assume such functions; and,

Third, to pinpoint functions and responsibilities likely to require future State or Federal attention and to recommend the level of State effort, or Federal effort, or both needed for effective action.

These proposals constituted a concrete and earnest attempt to revert tax revenues to the States to enable them to take back responsibilities previously siphoned off to Washington.

The joint Federal-State Action Committee developed recommendations for reform in numerous fields, but the critical test of the whole undertaking came in a plan to transfer to the States, in return for a portion of the Federal telephone tax, the Federal vocational education, and waste treatment facilities programs.

This, I was convinced, was exactly the sort of program that States rights proponents had long called for.

For the moment I was fired with hope.

To my regret, however, there was little meaningful State support.

One reason was illustrated by this incident: A group of Governors visited me to say, "Mr. President, don't eliminate from the Federal tax money you want us to receive.

"Should you do so, we doubt that our legislatures would give us the authority to collect an equal amount.

"Let the Federal Government collect the money and then give it to us as a grant."

As a result of this attitude, the Congress, feeling no pressure, failed to act.

That failure I deplore still. Perhaps—just perhaps—a step forward here would have inclined the Nation away from its continuing drift toward aggregating ever more power and ever more influence in Washington, D.C.

Parenthetically, I remind you that some 20 of the U.S. Senators today—one-fifth of the Senate membership—were previously State Governors.

By contrast I know of no Governor today who reached his office by way of the U.S. Senate.

Perhaps, then, I should have opened these remarks with the salutation: "Greetings, future Senators."

But, gentlemen, if one of these officers has to be a stepping stone to the other, I would personally prefer to see the order reversed.

But let us not dwell too long on opportunities lost to enhance the dignity and power of the States, or in decrying the pyramiding of Federal authority.

With your indulgence, I suggest that new attempts be made, and I offer some possibilities.

First, our best protection against bigger Government in Washington is better government in the States.

I would hope that in each State, where improvements have fallen behind, a major effort could be launched to maximize efficiency and to streamline the governmental structure.

For, as all America knows, and as you know best of all, State governments have expanded enormously, many in Topsy fashion, since the turn of the century.

One State now has 360 State boards, commissions, and agencies.

Doubtless other represented here are equally encumbered.

A nationwide, State-by-State, energetically advocated program to prune and update State administrative activities would save considerable State revenue, win widespread citizen approbation, and do much to slow the march on Washington.

Intimately related, of course—perhaps, in some instances, a prerequisite—is constitutional revision.

I am told of one State with 217,000 words in its constitution, with 407 amendments.

The index alone for another constitution takes 60 pages.

It was only 3 years ago that one State repealed a constitutional clause voiding land grants given by the King of England after October 14, 1775.

Clearly, past solutions for past problems, imbedded in State constitutions, should be allowed no longer to impair the ability of State governments to meet their present needs.

Other possible improvements—often pondered, I am sure by each Governor present—include reevaluation of the functions of our 7,000 State legislators.

In most instances State responsibilities in these times require more of legislators than 30- to 90-day sessions; staff assistance of greater competence and numbers is surely desirable; and the compensation of legislators needs to be increased above today's median salary of approximately \$4,000 a year.

At least two States, I understand, still pay their representatives \$5 a day; another, the equivalent of \$3 a day, which works out, younger friends remind me, to something less than babysitters get for an evening's work.

Far too short terms for Governors and prohibitions against more than one term should likewise be studied.

But there is far more to be done than mere improvement of the mechanisms of State government.

Think of some of the glaring problems that clearly fall within the purview of State responsibility.

Strong moral and political leadership is called for if we are to do better in diminishing the erosive influence of juvenile delinquency, of crime, of lack of educational recreational opportunities, and the annual slaughter by motor vehicles on our highways.

To find better solutions than so far we have, the Federal Government can assist in many ways.

But in all these things responsibility resides definitely in the States, and leadership in their Governors.

The better the States do their jobs, the better the chance that the Federal Govern-

Digest of CONGRESSIONAL PROCEEDINGS

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF
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(For information only;
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88th-2nd; No. 117

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HIGHLIGHTS: House passed pay bill. House committee reported measure for temporary extension of housing loan program for rural elderly. House subcommittee voted to report bill to aid Alaska reconstruction. House committee reported public works appropriation bill. Rep. Conte demanded names of mills receiving subsidies under cotton program. Rep. Talcott criticized area redevelopment program. Rep. Lipscomb criticized increased trade with Communist nations. Senate subcommittee approved road authorization bill.

SENATE

1. MUSHROOM INDUSTRY. Received a Pa. Senate resolution urging action to protect the declining domestic mushroom industry. p. 12954
2. EXPENDITURES; PERSONNEL. Received from the Joint Committee on Reduction of Non-essential Federal Expenditures a report on Federal employment and pay for April 1964. pp. 12954-7
3. ROADS. A subcommittee of the Public Works Committee approved for full committee consideration with amendment H. R. 10503, the road authorization bill, which includes authorizations for forest highways and forest development roads and trails for the fiscal years 1966 and 1967; and S. 1593, to authorize funds for the planning of the Great River Road along the Mississippi Valley. p. D460
4. CIVIL RIGHTS. Continued debate on H. R. 7152, the civil rights bill. pp. 12960-64, 12968-71, 12973-97, 12999-13033.

HOUSE

5. PERSONNEL; PAY. By a vote of 243 to 157, passed with amendments H. R. 11049, the Federal pay increase bill (pp. 13035, 13036-74). See Digest 102 for a summary of items of interest to this Department.

Agreed to an amendment by Rep. Udall to provide for automatic adjustment of the salaries of Members of Congress, Cabinet officers, and certain other top Government officials when other Federal salaries are adjusted in the future. pp. 13070-2

Rejected the following amendments:

- By Rep. Latta, to strike out the title providing for pay increases for the legislative branch. p. 13064
- By Rep. Sikes, to provide that the salary increases, except for Members of Congress and certain other top officials, shall become effective Jan. 1, 1965, rather than the first pay period which begins on or after date of enactment of the bill. pp. 13072-3
- By Rep. Findley, 60 to 162, to provide that the salary increases shall not become effective until Federal receipts exceed Federal expenditures. pp. 13073-4

6. HOUSING; LOANS. The Banking and Currency Committee reported without amendment H. J. Res. 1041, to extend for 90 days, until Sept. 30, 1964, the Farmers Home Administration program of insured rental housing loans for the elderly in rural areas (H. Rept. 1472). p. 13096

7. APPROPRIATIONS. The Appropriations Committee reported H. R. 11579, the public works appropriation bill for fiscal year 1965 (H. Rept. 1479)(p. 13097). The "Daily Digest" states that the Rules Committee granted a rule waiving points of order on title III of this bill (p. D462).

8. ALASKA; DISASTER RELIEF. The Subcommittee on Territorial and Insular Affairs of the Interior and Insular Affairs Committee voted to report to the full committee H. R. 11428, to amend the Alaska Omnibus Act so as to provide assistance to Alaska for the reconstruction of areas damaged by the recent earthquake and subsequent seismic waves. p. D461

9. CIVIL DEFENSE. The "Daily Digest" states that the Rules Committee granted an open rule on H. R. 10314, to amend the Federal Civil Defense Act so as to extend for four years, until June 30, 1968, the program of financial assistance to States for civil defense activities. p. D462

10. AGED; COMMUNITY SERVICES. The Education and Labor Committee reported with amendment H. R. 10088, to provide assistance in the development of new or improved programs to help older persons through grants to States for community planning and services (H. Rept. 1477). p. 13097

11. INFORMATION; ARTS. The Education and Labor Committee reported with amendment H. R. 9586, to provide for the establishment of a National Council on the Arts to assist in the growth and development of the arts (H. Rept. 1476). p. 13097

12. COTTON. Rep. Conte stated that "20 cotton mills have received subsidies of \$20,068,060 under the so-called cotton stabilization program," that he was "overwhelmed by the fact that Secretary Freeman refused to announce the names of the firms receiving these handouts," and demanded that the Secretary disclose this information. pp. 13084-5

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For actions of June 16, 1964
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		Wool.....3

HIGHLIGHTS: Senate committee voted to report Alaska earthquake relief bill. House passed public works appropriation bill. Rep. Short criticized USDA position on beef imports. Rep. Nelsen charged REA Administrator engaged in political activity. Rep. Rooney inserted Batt's statement in defense of area redevelopment program. Rep. Moore commended proposed Appalachia program.

SENATE

1. CIVIL RIGHTS. Continued debate on H. R. 7152, the civil rights bill. pp. 13382-417, 13421-22, 13425-58.
2. ALASKA RELIEF. The Interior and Insular Affairs Committee voted to report (but did not actually report) with amendments S. 2881, providing for assistance to Alaska for reconstruction of damage from the recent earthquake. p. D473
3. TARIFF. The Finance Committee reported without amendment H. R. 2652, to provide for duty-free importation of certain wools for use in manufacturing of polishing felts (S. Rept. 1082); H. R. 4198, to provide for free importation of soluble and instant coffee (S. Rept. 1084); H. R. 8268, to prevent double taxation in the case of certain tobacco products exported and returned unchanged to the U. S. for delivery to a manufacturer's bonded factory (S. Rept. 1086); H. R. 8975, to provide for the tariff classification of certain particle board (S. Rept. 1087); H. R. 10463, to continue through June 30, 1965, the suspension of duties for metal scrap (S. Rept. 1089); H. R. 10465, to extend for a temporary period

the provisions relating to free importation of personal and household effects brought into the U. S. under Government orders (S. Rept. 1090). p. 13372

4. CONSERVATION. Sen. Metcalf inserted a speech by Secretary Udall, "Cooperative Conservation for Western Progress." pp. 13418-20
5. ELECTRIFICATION. Sen. Neuberger inserted an article favoring reappointment of Charles H. Ross to the Federal Power Commission. pp. 13420-1
6. LEGISLATIVE PROGRAM. Majority Leader Mansfield announced that it is the intention of the leadership to recess the Senate from Thurs., July 2, until Mon., July 6, and that the Senate will be in inactive status from Fri., July 10, until Mon., July 20, covering the period immediately before and after the Republican National Convention. p. 13389

HOUSE

7. PUBLIC WORKS APPROPRIATION BILL, 1965. By a vote of 360 to 11, passed without amendment this bill, H. R. 11579, which includes items for the public works acceleration program, Defense civil functions, Interior power agencies, Atomic Energy Commission, St. Lawrence Seaway Development Corp., Tennessee Valley Authority, and Delaware River Basin Commission (pp. 13466-86). With regard to the public works acceleration item, the Committee report includes the following statement: "Funds allowed under this heading are for the purposes of terminating this program in fiscal year 1965 and include \$1,130,000 for contingencies and \$2,870,000 for administrative expenses. None of the funds budgeted are for the purpose of undertaking additional projects. It is the Committee's opinion that this reduction, which has been made in the contingency item, can be realized in the closing out costs. The full request for administrative expenses has been allowed."

As passed, this bill includes various general provisions, applying to the Government generally, as follows: Limits the amount which may be paid for a passenger vehicle to \$1,500, except for station wagons the maximum of which is \$1,950. Requires Federal employees to be U.S. citizens, with certain exceptions such as aliens from Poland or the Baltic countries lawfully admitted to the U.S. for permanent residence. Provides for quarters and cost-of-living allowances in accordance with the Overseas Differentials and Allowances Act. Prohibits payments to employees whose nominations the Senate has rejected. Limits the price which may be paid for the U. S. Code to \$4 per volume, and for the Lifetime Federal Digest to \$4.25 per volume, and \$6.50 per volume on the Modern Federal Practice Digest. In the case of certain corporations, makes appropriations available for certain purposes, such as rent in the District of Columbia. Permits foreign credits to be used only when reimbursement is made to the Treasury Department. Provides that during the current fiscal year, any foreign currencies reserved or set aside for specified programs or activities of any agency may be carried on the books of the Treasury in unfunded accounts. Prohibits the use of funds by any agency for publicity or propaganda purposes designed to support or defeat legislation pending before Congress.

8. BEEF IMPORTS. Rep. Short criticized this Department's position in opposing enactment of legislation to restrict beef imports. p. 13462
9. WATERSHEDS. The "Daily Digest" states that the Public Works Committee approved six watershed projects. p. D475

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OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

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HIGHLIGHTS: House Agriculture Committee voted to report bills to increase limitation on FHA loans and extend time for filing tobacco allotment leases. House Interior Committee voted to report wilderness preservation bill and Alaska disaster relief bill. House committee referred FHA economic disaster loan authorization back to subcommittee. House passed public-debt limit increase bill. Rep. Schwengel commended work of Soil Conservation Service. Sen. Ribicoff set forth pesticide issues and announced further hearings. Sen. Humphrey inserted Goss speech defending food-for-peace program. Sen. McGovern inserted USDA letter on status of wheat sales to Russia. Sen. McGovern introduced and discussed bill amending Public Law 480.

HOUSE

1. **LOANS; TOBACCO.** The Agriculture Committee voted to report (but did not actually report) H.R. 7073, to amend the Consolidated Farmers Home Administration Act so as to increase the limitation on the amount of loans which may be insured under Sec. 308, and H. J. Res. 1026, to extend the time by which a lease transferring a tobacco acreage allotment may be filed. p. D482
The "Daily Digest" states that the Agriculture Committee "referred H.R. 9186, authorization for economic disaster loans, FHA, back to the subcommittee." p. D483

2. **WILDERNESS; ALASKA RELIEF.** The Interior and Insular Affairs Committee voted to report (but did not actually report) H. R. 9070, to establish a National Wilderness Preservation System, and H. R. 11438, to provide assistance to Alaska for the reconstruction of areas damaged by the recent earthquake and subsequent seismic waves. pp. D483

3. WATERSHEDS. The "Daily Digest" states that the Agriculture Committee "approved seven watershed projects." p. D483
4. PUBLIC DEBT. By a vote of 203 to 182, passed without amendment H.R. 11375, to provide a temporary public debt limitation of \$324 from date of enactment of the bill until June 30, 1965. pp. 13849-77
5. FORESTRY; PERSONNEL. A subcommittee of the Judiciary Committee voted to report to the full committee H. R. 11546, to validate certain over-payments made to Southwestern Indian Firefighter Crews from N. Mex. and Ariz. by the Forest Service. p. D483
6. AREA REDEVELOPMENT. Rep. Talcott urged a "thorough congressional investigation" of the Area Redevelopment Administration before its authorization is extended or increased. p. 13880
7. SOIL CONSERVATION. Rep. Schwengel commended the work of the Soil Conservation Service and inserted several commendatory items. pp. 13882-4
8. PAY. Rep. Curtis inserted an editorial critical of proposed pay raises for Members of Congress. pp. 13884-5
9. CONTRACTS; LABOR STANDARDS. The Education and Labor Committee reported without amendment H. R. 11522, to provide labor standards for certain persons employed by Federal contractors to furnish services to Federal agencies (H. Rept. 1495). p. 13898
10. FOREIGN AID. Rep. Morse inserted an address by the Deputy U. S. Coordinator of the Alliance for Progress on economic development in Latin America. pp. 13881-2
11. FOREIGN TRADE. Reps. Boggs and Celler spoke in commemoration of the 30th anniversary of the enactment of the Foreign-Trade Zones Act. pp. 13887-91
12. PRESIDENT'S ADDRESS. Rep. Vanik inserted the President's address at the convention of the Communications Workers of America in Cleveland, June 17. pp. 13893-4
13. ELECTRIFICATION. Rep. Stafford and others urged the reappointment of Charles R. Ross as a member of the Federal Power Commission. pp. 13894-7
14. LEGISLATIVE PROGRAM. Rep. Albert stated that the House may be in session Sat. to receive the civil rights bill if passed by the Senate, and that next Mon., H. R. 10314, to extend certain civil defense authorities, will be considered. p. 13877
Rep. Halleck urged that the House recess for a two-weeks period beginning July 3 for the Republican National Convention. Rep. Albert stated that he could not give a definite statement concerning a recess at this time. pp. 13848-9

SENATE

15. CIVIL RIGHTS. Continued debate on H. R. 7152, the civil rights bill. pp. 13781-7, 13789-93, 13797-815, 13817-26, 13833-8, 13841-3

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		Wheat.....44

HIGHLIGHTS: Both Houses passed measure to continue appropriations to Aug. 31. Senate committee reported bill for temporary extension of insured rental housing loans for elderly in rural areas. Senate committee reported bill for Federal aid for Alaska rehabilitation. Senate committee voted to report pay bill. Sen. Robertson criticized FTC rules on cigarette advertising. House committee reported bill to increase limitation on FHA insured loans. House committee reported foreign aid appropriation bill. Rep. Frelinghuysen urged thorough Rules Committee hearing on poverty bill. Rep. Taylor submitted and discussed measure to prohibit FTC from issuing or enforcing rules on cigarette labeling.

SENATE

1. **APPROPRIATIONS.** Both Houses passed without amendment H.J.Res.1056, to continue until passage of the 1965 appropriations or August 31, 1964, whichever occurs first, appropriations for Government agencies (S. Rept. 1116)(pp. 14460-2, 14557, 14631). Sen. Hayden explained the coverage of the measure as follows:

"In those instances when bills have passed both bodies and the amounts or authority therein differ, the pertinent project or activity shall be continued under the lesser of the two amounts approved or under the more restrictive authority.

"When a bill has passed only one House, or when an item is included in

only one version of the bill as passed by both Houses, the pertinent project or activity shall be continued under the appropriation, fund, or authority granted by the one House, but at a rate of operations not exceeding the fiscal 1964 rate, or the rate permitted by the one House, whichever is lower.

"In the instance when neither House has passed an appropriation bill for fiscal 1965--and in the case of the National Aeronautics and Space Administration and grants for Library Services, which are continuing programs and where budget estimates are pending--amounts are approved for continuing projects or activities conducted in fiscal 1964 not in excess of the current year's rate, or at the rate provided for in the budget estimate, whichever is lower."

2. HOUSING LOANS. The Banking and Currency Committee reported without amendment H. J. Res. 1041, to continue from June 30 to Sept. 30, 1964, the program of insured rental housing loans for the elderly in rural areas (S. Rept. 1108). p. 14557
3. PERSONNEL; PAY. The Post Office and Civil Service Committee voted to report (but did not actually report) with amendments H. R. 11049, the Federal pay bill (p. D510). Sen. Lausche objected to a request by Sen. Humphrey to permit the bill to be reported while the Senate is not in session (p. 14653).
4. TAXATION. Passed with amendments H. R. 11376, to provide for a 1-year extension of certain excise-tax rates (pp. 14623-54). Senate conferees were appointed (p. 14654). The bill was reported earlier in the day with amendments (S. Rept. 1107)(p. 14557).
5. PUBLIC DEBT. Began consideration of H. R. 11375, to provide a temporary public debt limitation of \$324 billion from date of enactment of the bill until June 30, 1965. pp. 14656-7
6. ALASKA RELIEF. The Interior and Insular Affairs Committee reported S. 2881, to provide authorization for Federal agencies to aid Alaska in recovering from the effects of the recent earthquake and seismic waves (S. Rept. 1117). p. 14557
7. DEFENSE PRODUCTION. The Banking and Currency Committee reported without amendment H. R. 10000, to extend the Defense Production Act from June 30, 1964, to June 30, 1966 (S. Rept. 1110). p. 14557
8. CIVIL DEFENSE The Armed Services Committee reported without amendment H. R. 10314, to amend the Federal Civil Defense Act so as to extend until June 30, 1968, the authority to provide financial assistance to States for necessary and essential State and local civil defense personnel and administrative expenses (S. Rept. 1120). p. 14557
9. RECLAMATION. The Interior and Insular Affairs Committee reported with amendments S. 388, to authorize construction of the midstate reclamation project, Nebr. (S. Rept. 1111). p. 14557
Passed as reported S. 2630, to provide for construction of the Kennewick diversion extension, Yakima project, Wash. pp. 14580-1
Passed as reported S. 2533, to authorize construction of the Manson unit, Chelan division, Chief Joseph Dam project, Wash. pp. 14581-3
10. COMMITTEES. At the request of Sen. Mansfield, consent was granted for the Appropriations Committee and its subcommittees to meet during sessions of the Senate for the remainder of this month. p. 14556

ALASKA EARTHQUAKE RECONSTRUCTION

June 25, 1964.—Ordered to be printed

Mr. McGOVERN (for Mr. JACKSON), from the Committee on Interior and Insular Affairs, submitted the following

R E P O R T
together with
INDIVIDUAL VIEWS

[To accompany S. 2881]

The Committee on Interior and Insular Affairs, to whom was referred the bill (S. 2881) to amend the Alaska Omnibus Act to provide assistance to the State of Alaska for the reconstruction of areas damaged by the earthquake of March 1964 and subsequent seismic waves, and for other purposes, having considered the same, report favorably thereon with amendments and recommended that the bill, as amended, do pass.

Committee action in ordering S. 2881 reported favorably to the Senate was unanimous.

PURPOSE OF MEASURE

The purpose of S. 2881 is to provide additional authority for executive agencies of the Federal Government to assist the State of Alaska and its citizens in recovering from the earthquake and seismic wave disasters of March 27. The bill would accomplish its purpose by amending the Alaska Omnibus Act (73 Stat. 141) to provide special aid for highways, urban renewal, harbors, housing, and State finances.

Thus, the private sector of the Alaska economy as well as the public would benefit under S. 2881.

The measure was drafted by the Federal Reconstruction and Development Planning Commission for Alaska and transmitted to the Congress by President Johnson. The Commission is composed of the Secretaries of Defense, Interior, Agriculture, Commerce, Labor, and Health, Education, and Welfare, plus the Administrators of the Federal Aviation Agency, the Housing and Home Finance Agency, and Small Business Administration, and the Chairman of the Federal

Power Commission, and in addition, the Director of the Office of Emergency Planning; Senator Clinton P. Anderson of New Mexico is Chairman of the Commission which was established by President Johnson. S. 2881 was sponsored by the senior Senator from Alaska, Senator Bartlett, for himself and Senators Jackson, Magnuson, and Gruening.

THE COMMITTEE AMENDMENTS

The committee adopted with modifications an amendment proposed by Senator Gruening of Alaska to the urban renewal section on page 4, line 17, giving discretionary authority to the Administrator of the Housing and Home Finance Agency to increase the Federal contribution to urban renewal project costs to a maximum of 90 percent in certain of the communities in the disaster area. Existing law provides for a 75-percent maximum in Federal matching funds for cities suffering from disasters comparable to those in Alaska.

This change was deemed necessary because the tax base in several communities was almost completely destroyed and even with help from the State, the 25-percent share would be beyond their ability to pay. The amount involved is believed to be small, a difference of about \$2.1 million at the most, because of the restricted applicability of the amendment to communities of 6,000 persons or less. Thus, specifically excluded is the city of Anchorage which the committee was informed is able to pay the share other American cities shoulder.

The committee wishes to emphasize the fact that the 90-percent Federal contribution change is permissive only and its applicability would vary with the economic ability of each community to help itself through local and State funds.

A further amendment proposed by Senator Kuchel and Jackson permits certain areas on the coast of California and Washington devastated by the seismic wave to share in the benefits of the extension of the Small Business Administration home disaster loan program provided by the new section 54. These areas are set forth in Federal Register Document 64-3574, filed April 10, 1964, the text of which appears at the end of the report.

An amendment to the new section 56 of the omnibus act, proposed by Senator Gruening, which would have permitted the Administrator of the Housing and Home Finance Administration to purchase securities authorized but not issued by the State prior to the earthquake for capital improvements, was adopted in accordance with the changes recommended by the Bureau of the Budget. The Bureau stated:

* * * we would not object to an amendment which would aid in the completion of capital improvements begun in 1963 and early 1964 by the State. We believe that the purpose of this amendment can best be accomplished by inserting after the term "waves" on page 6, line 2 of S. 2881 the following: "or to complete capital improvements begun prior to the earthquake."

This would have the effect of authorizing the Administrator of the Housing and Home Finance Agency to purchase about \$7.2 million of State of Alaska general obligation bonds of a total of \$11,624,000 which were authorized, prior to the earthquake, but were not issued, or to make loans in that amount. Since these bonds, like the bonds for reconstruction purposes,

could be affected by present high interest costs because of the earthquake, we believe it is reasonable to provide for this purchase, or a loan in that amount, when it is determined that these high interest costs will adversely affect ability of the State to market its bonds. As soon as the State's regular credit standing is restored, the balance of these bonds could be marketed by the State with no penalty interest costs involved.

The committee tabled another amendment offered by Senator Gruening to reduce the interest rate to three-quarters of 1 percent on bonds issued by the new State and purchased by the Federal Government under the provisions of the proposed new section 56 of the omnibus act. Three-quarters of 1 percent is the interest rate at which the Federal Government has lent money under the Agency for International Development program to foreign governments. Under the bill as reported the State would pay the same rate that the Federal Government itself must pay for its long-term obligations, which, with the service charge, currently is $3\frac{5}{8}$ percent.

EXPLANATION OF PROVISIONS

Section 1 of S. 2881 states the title by which the act may be cited. Section 2 again gives congressional recognition to the fact that the Alaskan earthquake disaster is a matter of national concern, and that there is urgent need for special aid measures on the part of the National Government.

Section 3 adds a new subsection, subsection (f), to section 21 of the omnibus act to increase the Federal share in expenditures for repair or reconstruction of existing highways in the disaster area.

The Federal Reconstruction and Development Planning Commission estimates at this time that earthquake damage to Alaskan roads may amount to as much as \$65 million. National forest highways are a Federal responsibility, and costs of restoration, estimated at \$29 million, will be borne wholly by the Federal Government. Under present law, the remaining \$36 million needed for repairs to non-forest Federal-aid highways would have to be shared on a 50-50 basis by the State and Federal Governments.

Thus, Alaska's share of the highway reconstruction cost would be \$18 million. If this were new construction, the Federal share would be 94.9 percent because of the so-called sliding scale provisions applicable to Federal-aid highways located in States wherein the unappropriated and unreserved public lands and nontaxable Indian lands, individual and tribal, exceed 5 percent of the total area of all lands therein (1961 statistics show the total acreage of Alaska to be 365,481,600 acres of which 337,497,545 acres are part of the public domain or about 90 percent of the total acreage in the State).

This new subsection is designed to increase the Federal share of reconstruction from 50 to 94.9 percent of the total cost by making the sliding scale provisions of section 120(a) of title 23 applicable to these Federal-aid highways in Alaska. It limits the increase in the Federal share to not more than \$15 million in the aggregate and provides that the amount of the increase shall be reimbursed to the highway emergency fund by an appropriation from the general fund

of the Treasury. The initial 50 percent of the Federal share would continue to be financed in the presently authorized manner.

In view of the dimensions of the recent disaster in Alaska and the resulting drain on the State's resources, it seems appropriate to increase the Federal share in the manner proposed in this case.

Section 4 of S. 2881 would add six new sections to the existing provisions of the omnibus act, as follows:

Federal loan adjustments

A new section 51(a) would give discretionary authority to the Secretary of Agriculture to forgive, in whole or in part, indebtedness of farmers and rural residents who are borrowers from the Farmers Home Administration when necessary to enable them to recover from their earthquake losses. The Secretary also is authorized to re-finance the outstanding indebtedness of other farmers and rural residents similarly damaged.

Some former building sites have become either nonexistent or unusable as a result of the earthquake. In such instances, as determined by geologic surveys, loan funds may be made available for purchase of new sites.

The Farmers Home Administration has loans outstanding with 200 families in Alaska, totaling approximately \$4 million. These families could not obtain credit from other sources at the time they received their loans. Therefore, such families who suffered damage or loss to their real or chattel property and partial or total loss of income for an indefinite period would be unable to recover from their losses without an adjustment in their debts. Special assistance of the type provided in this section of the proposed bill is necessary if some of these families are to recover and continue as members of the community.

Section 51(b) authorizes the Secretary of Agriculture to adjust indebtedness under programs of the Rural Electrification Administration in Alaska to the extent the borrowers suffered direct earthquake damage. This provision is designed to facilitate the restoration and repair of facilities damaged or destroyed by the disaster. A proposed amendment to provide that these adjustments take into account loss of revenue was rejected by the committee.

The Rural Electrification Administration has loans outstanding in Alaska to nine electric cooperatives aggregating \$76,362,468, and to two public bodies aggregating \$2,479,000.

There is also one loan outstanding to a telephone cooperative in the amount of \$1,863,000. Preliminary reports indicate that substantial damage has been sustained by two electric cooperatives—Chugach Electric Association, Anchorage, with a loan commitment in the amount of \$47,494,000 and Kodiak Electric Association, Kodiak, with a loan commitment in the amount of \$1,555,000. Funds actually advanced to these two systems total \$31,957,436, and the outstanding balance of principal and accumulated interest owed by them is \$29,322,611.

An appraisal of the damage is now underway as is a determination of the ability of these cooperatives to repay the outstanding balances of their loans and to carry the additional debt which would be required to finance the reestablishment of their systems on an economically feasible basis. Special assistance of the type provided in this bill in an amount not yet determined may be necessary to facilitate the

restoration and repair of facilities damaged or destroyed as a result of the earthquake.

A new section 52 would also authorize the Housing and Home Finance Administrator to compromise or release obligations which he holds in Alaska under the public facility loan program or under the revolving fund for liquidating programs, to the extent he finds that such relief is necessary because the facilities securing these obligations have been substantially damaged by the recent earthquake. Under the revolving fund for liquidating programs, the Housing Administrator holds obligations received in four programs which are now no longer operative: The Alaska housing loan program, the public agency loan program (RFC), the prefabricated housing loan program, and the war public works program under the Lanham Act. Except for the war public works program, the Administrator now has authority to revise these obligations only through the rescheduling of required loan payments.

The purpose of these debt adjustment provisions of the bill is to place these programs in Alaska on the same general footing as other Federal loan programs which presently adjust their borrowers' indebtedness under disaster conditions.

Urban renewal

Paralleling the aid provided for rural areas, a new section 53 to the omnibus bill would authorize an additional \$25 million in contracting authority for urban renewal project grants by the Housing and Home Finance Administrator to aid earthquake stricken urban areas under matching fund formulas. For communities over 6,000 population, the Federal Government would bear 75 percent of the net project costs and local governments 25 percent. Senator Gruening's amendment as adapted by the committee, however, provides that in communities of under 6,000 the Federal contribution may be 90 percent of the net project costs. Such communities include Seward, Kodiak, Valdez, and Seldovia. The application of the 90-percent formula is discretionary.

As pointed out, this amendment was deemed necessary because of the extent to which the tax base of a number of the smaller communities was destroyed, making it difficult if not impossible for many of them to make the regular 25-percent contribution, even with State aid. The committee wishes to emphasize its conviction that in consonance with the disaster provisions of existing urban renewal law, the State or the local communities should have a substantial financial interest in these projects. To help the State to assist local communities meet their limited share of the burden, another provision in the bill would add a new section to the omnibus bill, section 56, under which the Housing and Home Finance Administrator is authorized to purchase up to \$25 million worth of State of Alaska bonds, or to make loans to the State. This section is discussed in more detail below.

Evidence presented to the committee establishes the fact that the earthquake has created exceptional circumstances which may make it necessary to relocate the town of Valdez on open land some distance from the present site. Existing urban renewal law does not authorize the making of grants for projects consisting of open land, since it was anticipated that such projects, not involving any demo-

lition of structures, could be carried out without cost. It is possible, however, that grants may be required if Valdez is relocated.

The new section 53 would, therefore, authorize the Administrator to make grants for urban renewal projects consisting of open land in the disaster area.

Home disaster loan extension

Presently, the Small Business Administration makes loans under its disaster authority to homeowners, among others, for a term of 20 years. To aid the Alaskan disaster victims, the SBA provides that these loans may be amortized on a 30-year basis although the maturity of the loan is 20 years. This may result in a balloon payment for the balance of the loan at the end of 20 years.

A new section 54 would authorize the making of a maximum of 30-year disaster loans for the repair or reconstruction of homes destroyed or damaged by the disaster. While these loans would not be amortized beyond the 30-year period, under this authority, the Small Business Administration could make the loans without a balloon payment at the end of the term. Thus, the borrower would not be required to obtain additional financial assistance to meet this balloon payment under the proposed new section.

A committee amendment extends the benefits of the section to communities on the coasts of California and Washington which suffered devastation from the seismic wave that followed the quake.

Civil works projects

A new section 55 would give additional authority to the Corps of Engineers to modify previously authorized civil works projects in Alaska to meet earthquake recovery needs. An example is the entrance channel at Cordova which requires dredging to restore previous depths to permit the port to be used.

Expenditures of up to \$10 million are authorized for this purpose.

Purchase of Alaska State bonds

After the earthquake, the Alaskan Legislature authorized a \$50 million bond issue to aid in financing the State's reconstruction efforts. One investment house indicated that these bonds could be sold at an interest rate of between $4\frac{1}{4}$ and $4\frac{1}{2}$ percent maturing in not to exceed 25 years. Immediately before the earthquake State of Alaska bonds sold at 3.56 percent interest.

A new section 56 would authorize the Housing and Home Finance Administrator to purchase, in accordance with the applicable provisions of the existing public facility loan program and from funds available in the public facility loan revolving fund, up to \$25 million of State of Alaska bonds issued to finance the State's share of earthquake reconstruction projects. Alternatively, the Administrator could make a loan to the State for this purpose.

These bonds would have a maximum maturity of 40 years. It is contemplated that the State would receive the more favorable interest rate available to public bodies in redevelopment areas from HHFA (currently 3½ percent), and that the State would be able to improve on this rate in the private market within 2 years. It is further contemplated that the first principal repayment might be deferred for a few years after the granting of the loan or the purchase of the bonds. The exact repayment schedule would be determined by the Administrator, taking into account the probable future capacity of Alaska

to meet these principal repayments. As soon as the State's regular credit standing is restored, the bonds would either be sold in the private market by the Federal Government, or refunded in the private market by the State.

There is no question that the State of Alaska—even with the favorable proposals for Federal assistance—will be faced in the next 2 years with abnormally high capital investment requirements, but with a temporary decline in investor interest in the State's obligations. If special assistance were not provided, the State would be required to pay high interest rates which cannot be justified over the long run and which would add to the State's financial burdens.

While it is not expected that all of the \$50 million would have to be utilized in connection with the present disaster, it appears that one-half or more may be required to supplement the State's revenues and extended transition grants in order to carry out the State's share of major reconstruction and rehabilitation projects, such as highways and urban renewal. Federal assistance in marketing this portion of the \$50 million seems warranted to insure the success of other Federal programs to aid the State's reconstruction efforts.

If the bonds are bought by the Federal Government, as proposed in this bill, it should be possible within a reasonably short time for them to be resold or refinanced in the private market.

The committee rejected a proposed amendment which would have fixed interest of three-fourths of 1 percent, the rate on certain AID loans made by the United States to foreign governments. Instead, the State will have to pay substantially the costs of the money to the United States.

An amendment proposed by Senator Gruening and adopted by the committee would authorize the use of funds derived from the purchase of the State securities by the Federal Government or loans from it to complete capital improvement programs begun prior to the earthquake. The committee is informed that the costs of such projects will not exceed \$7,200,000 of the total of \$25 million authorized by this section.

SECTION 5

Section 5 authorizes the appropriation of necessary funds to the various agencies to carry out the provisions of this bill. The appropriations would be made available for obligation until June 30, 1967. This cutoff date should provide sufficient time for the State to take advantage of the special Federal assistance made available by this bill.

As is explained above, the peculiar facts and circumstances of the situation in Alaska make specification of the precise amounts that will be needed impossible. The Bureau of the Budget informs the committee, however, that the maximum amount of additional obligational authority involved in the bill would come to not more than \$50,150,000.

SECTION 6

Section 6: The special and unusual authority granted the several executive agencies under the bill will terminate not later than June 30, 1967, under section 6.

BACKGROUND OF LEGISLATION

The tragic earthquake and seismic wave which struck south-central Alaska on Good Friday left 115 persons dead or missing, and caused more than \$300 million worth of damage, according to latest Federal estimates. The area stricken contained approximately one-half of Alaska's population and the property in it constituted a half of the State's tax base.

Proportionately, no State of the Union ever has suffered such devastation from a natural disaster.

The Federal Government moved swiftly to the aid of the State and its citizens in the hour of need. Within a very few days after the disaster, the Congress approved an appropriation of \$50 million to the Federal disaster relief fund administered by the Office of Emergency Planning. Last month S. 2772, also an administration bill to amend the omnibus act, authorizing appropriations of an additional \$23.5 million in transitional grants to the State, was approved and signed into law by President Johnson, becoming Public Law 88-311. Both of these legislative enactments were designed to help the public, as distinct from the private, sector of the Alaskan economy.

S. 2881, however, would extend Federal aid to private individuals and businesses in Alaska as well as providing additional authority and additional funds for the public sector.

Meanwhile, the executive agencies also took prompt action under existing authorities.

The Office of Emergency Planning has aided the disaster area by providing assistance in clearing rubble, in providing shelter and supplies, and in the emergency repair and restoration of needed services, including public facilities. It is estimated that the work eligible for grants under Public Law 875 will total about \$80 million.

In the private sector, the Small Business Administration is making favorable disaster loans to help individual homeowners and businessmen in the stricken area. Commercial fishermen are being aided by the Department of the Interior with loans made from the fisheries loan fund to finance the repair of vessels. The Housing and Home Finance Agency and the Veterans' Administration are adjusting outstanding loans to homeowners whose houses were lost or destroyed.

As was stated by the Chairman of the Federal Reconstruction Commission in a press release on May 28, 1964:

Federal assistance to Alaska homeowners, businessmen, and local and State governments for earthquake recovery is estimated to range between \$236 and \$337 million. Part of these funds are contingent on congressional approval.

In addition, the Federal Government will spend about \$76 million on reconstruction of damaged Federal facilities and on the cost of operating Federal disaster-related programs. These funds will have an impact on the private economy of Alaska.

All of these funds are in addition to Federal expenditures which would have gone to the State and for normal Federal programs in Alaska had there been no disaster.

Just as no State ever has suffered as great blows to its economy, proportionately, as has Alaska from a natural disaster, so, too, no

State ever has received as much help from the Federal Government for relief from the effects of such a disaster.

ACTION URGENT

The need for swift approval of S. 2881 was summarized by President Johnson as follows:

Concern for our fellow citizen alone compels prompt action on this proposal. But practical considerations are also most important. The construction season in Alaska is about to begin and is of short duration. The sooner Alaska can complete its reconstruction efforts, the sooner it can begin again to devote its efforts toward the further development of the State's resources.

EXECUTIVE COMMUNICATION

The executive communication transmitting the draft of the bill prepared by the Federal Reconstruction and Development Planning Commission for Alaska and the Commission's discussion of its provisions is set forth in full below.

THE WHITE HOUSE,
May 27, 1964.

HON. CARL HAYDEN,
President pro tempore of the Senate, Washington, D.C.

DEAR MR. PRESIDENT: The State of Alaska and the people of Alaska, aided by voluntary agencies and the Federal Government, have begun to rebuild from the ruins of the devastating earthquake of March 27. But new legislative authority is urgently needed to provide the additional special assistance essential to their reconstruction efforts. I am today, therefore, sending to the Congress draft legislation to provide this authority.

Immediately following the earthquake, we moved quickly to assist Alaska and its people. Under existing programs and new authorities proposed in this draft bill, the Federal Government is estimated to spend over \$275 million in Alaska in the course of the earthquake reconstruction program.

Major items in this estimate include \$80 million of grants under the existing authority of the Office of Emergency Planning for restoring public facilities and debris clearance; over \$75 million for restoration of Federal facilities; over \$60 million in grants for highway repair; and up to \$45 million in grants for urban renewal projects. Also, legislation has already been approved by the Congress—which I will sign into law today—authorizing \$23.5 million in grants to the State to make up losses of State and local tax revenues and to insure continuity of government.

In addition, under existing law, various outstanding Federal loans are being adjusted. Federal tax refunds and reductions will be based on casualty losses, and various Federal agencies are extending credit on liberal terms. The Small Business Administration, for example, will make disaster loans on very favorable terms to assist homeowners and businesses in reconstruction.

The legislation which I am proposing—based on recommendations of the Federal Reconstruction and Development Planning Commis-

sion for Alaska—will provide greater flexibility in Federal programs to cope with the extraordinary circumstances arising out of the earthquake. Included among the programs involved are highways, urban renewal, housing, and harbor improvements.

The enclosed letter from the Chairman of the Commission, Senator Clinton P. Anderson, describes the principal features of the draft bill.

Concern for our fellow citizens alone compels prompt action on this proposal. But practical considerations are also most important. The construction season in Alaska is about to begin and is of short duration. The sooner Alaska can complete its reconstruction efforts, the sooner it can begin again to devote its efforts toward the further development of the State's resources.

Accordingly, I urge the Congress to take prompt action on the proposed legislation to facilitate Alaskan planning and reconstruction efforts during this summer's construction season.

Sincerely,

LYNDON B. JOHNSON.

FEDERAL RECONSTRUCTION AND DEVELOPMENT

PLANNING COMMISSION FOR ALASKA,

Washington, May 23, 1964.

THE PRESIDENT,
The White House,
Washington, D.C.

DEAR MR. PRESIDENT: I am enclosing a draft of a bill to provide assistance to the State of Alaska in providing for the reconstruction of areas damaged by the earthquake of March 1964, and subsequent seismic waves, and for other purposes, and a section-by-section analysis.

This legislation is an outgrowth of the considerations of this Commission since the Alaskan earthquake of March 1964. Its purpose is to provide needed special assistance to the State and its people in their reconstruction efforts. The Commission has found that special Federal assistance in the form of legislation is needed now for highways, urban renewal, harbors, housing, and State finances. Areas requiring additional legislation may become apparent at a later time and may be proposed then.

The draft legislation amends the Alaska Omnibus Act and is limited in scope to Alaska and the disaster area. It recognizes (1) that the recent disaster caused extensive property loss and damage in the private and public sector; and (2) that this damage has severely restricted and drained the State's resources.

Highways

To provide the special assistance needed to repair and reconstruct the nonforest Federal-aid highways damaged by the earthquake, the draft legislation would authorize an increase in the Federal share of the cost of reconstruction from the present 50 percent to 94.9 percent as provided in the bill, and an appropriation not to exceed \$15 million to cover the increase. The higher percentage is now applicable to new Federal-aid highway construction in Alaska.

Current estimates indicate that up to \$36 million will be required to reconstruct these highways in the disaster area. Under existing law, the State's share of this estimated cost would be one-half this amount. Even with the enactment of pending legislation making

transitional grants available to the State, Alaska could not pay its share of highway reconstruction and carry out its other disaster-oriented programs.

Debt adjustments

A preliminary private real property survey indicates that the private loss, as a result of the recent earthquake and subsequent seismic waves, is about \$77 million. The Department of Agriculture, through the Farmers Home Administration and the Rural Electrification Administration, would be authorized by this draft bill to adjust the indebtedness of some of their borrowers to enable them to overcome losses suffered from the earthquake. It would also authorize the refinancing of the outstanding indebtedness of these and other farmers and rural residents similarly damaged. This draft legislation would provide similar debt adjustment authority to the Housing and Home Finance Administrator. These provisions place the programs of the Department of Agriculture and the HHFA on the same general footing as other Federal loan programs which now are authorized to adjust their borrower's indebtedness under disaster conditions.

Urban renewal

A number of communities in the disaster area of Alaska are considering or have made applications for urban renewal projects. These are: Anchorage, Homer, Kodiak, Seldovia, Seward, and Valdez. Currently available, but very preliminary, estimates indicate that the total cost of these projects may be as high as \$59 million. The Federal share of this cost would be about \$45 million. This share is made up of 75 percent of the project costs plus 100 percent of relocation costs, which is the usual formula for cities of this size.

The Commission gave very serious consideration to the question of whether the Federal grant share should be increased above 75 percent for projects directly related to the earthquake. While recognizing the straitened circumstances of the communities themselves, I believe this increase was not justified on the basis of the available estimates of costs and resources. The preliminary cost figures, admittedly highly tentative, raise substantial questions as to whether the magnitude of the proposed projects is necessary to effect recovery from the effects of the earthquake. At the same time, it seems reasonable to expect the State to provide substantial assistance to the communities in meeting their local share. The draft bill authorizes the purchase by the Federal Government of \$25 million of State bonds for this purpose among others.

The bill would authorize the Housing and Home Finance Administrator to enter into contracts for urban renewal projects in Alaska up to a maximum of \$25 million. The recent disaster makes it essential that this additional contract authority be requested for use in Alaska at this time. To the extent, that additional grant funds may be needed to carry out these projects, they would be made available from regular urban renewal grant authorizations.

Loans

As indicated above, a number of homes in Alaska were damaged or destroyed or in some cases even lost. The Small Business Administration now has authority to make disaster loans to the homeowners with a maximum maturity of 20 years. Since these loans may include some portion of the existing indebtedness on damaged

or destroyed homes, as well as the cost of rebuilding these homes, the draft bill would authorize the making of such loans for a maximum period of 30 years.

Harbors

The draft legislation would authorize the Corps of Engineers to make modifications in previously authorized civil works projects in Alaska, where it is found that such modifications are necessary to overcome the adverse effects of the earthquake. These modifications would include such reasonable expansions in the harbors that may be economically feasible to meet the prospective needs of the communities. The estimated cost is \$10 million.

State finances

The State legislature has authorized a \$50 million bond issue to help finance capital projects related to reconstruction from the earthquake. It is expected that for the next 2 years the State will be faced with high capital investment requirements which will add to the State's financial burden.

While the Commission does not expect that all of the \$50 million would be needed now, it appears that one-half or more may be required to supplement the State's revenues and the extended transition grants in order to meet the Federal assistance for major reconstruction and rehabilitation projects over the next 2 years. The draft bill provides Federal assistance in marketing up to \$25 million of these State of Alaska bonds. The Housing and Home Finance Administrator would purchase these bonds with funds now available in the public facility loan revolving fund. The bonds would be sold in the private market, or refunded in the private market by the State, as soon as its regular credit is restored. The State would receive from HHFA the more favorable interest rate for public bodies in redevelopment areas (currently 3½ percent), and principal repayment might be deferred for a few years from the date of the loan or purchase of the bonds.

The agencies represented by the Commission have devoted considerable time and effort in developing this draft bill. There is an urgent need for this legislation. The short construction season requires the initiation of construction as soon as possible in order to permit Alaska to prepare for next winter. It is the belief of the Commission that the bill proposes fiscally responsible means of providing special assistance to the State's reconstruction efforts which must proceed as rapidly as possible. The proposed bill has been reviewed by the interested departments and agencies and the Bureau of the Budget and has received their concurrence. Pursuant to the meetings of May 8 and 22, 1964, of the Commission, it is recommended that this legislation be submitted to the Congress for early action.

Respectfully yours,

CLINTON P. ANDERSON, *Chairman.*

[A BILL To amend the Alaska Omnibus Act to provide assistance to the State of Alaska for the reconstruction of areas damaged by the earthquake of March 1964 and subsequent seismic waves, and for other purposes]

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "1964 Amendments to the Alaska Omnibus Act".

SEC. 2. The Congress hereby recognizes that the State of Alaska has experienced extensive property loss and damage as a result of the earthquake of March 27, 1964, and subsequent seismic waves, and declares the need for special measures designed to aid and accelerate the State's efforts in providing for the reconstruction of the areas in the State devastated by this natural disaster.

SEC. 3. Section 21 of the Alaska Omnibus Act (73 Stat. 145) is amended by adding a new subsection (f) to read as follows:

"(f) Notwithstanding the limitation contained in subsection (f) of section 120 of title 23, United States Code, the Secretary of Commerce is authorized to make expenditures from the emergency fund under section 125 of such title for the repair or reconstruction of highways on the Federal-aid highway systems of Alaska which have been damaged or destroyed by the 1964 earthquake and subsequent seismic waves, in accordance with the Federal share payable under subsection (a) of section 120 of such title. The increase in expenditures resulting from the difference between the Federal share authorized by this subsection and that authorized by subsection (f) of section 120 of such title shall be reimbursed to the emergency fund by an appropriation from the general fund of the Treasury: *Provided*, That such increase in expenditures shall not exceed \$15,000,000 in the aggregate."

SEC. 4. The Alaska Omnibus Act (73 Stat. 141) is amended by adding the following new sections at the end of section 50 thereof:

"NEW FEDERAL LOAN ADJUSTMENTS

"SEC. 51. (a) The Secretary of Agriculture is authorized to compromise or release such portion of a borrower's indebtedness under programs administered by the Farmers Home Administration in Alaska as he finds necessary because of loss resulting from the 1964 earthquake and subsequent seismic waves, and he may refinance outstanding indebtedness of applicants in Alaska for loans under section 502 of the Housing Act of 1949 for the repair, reconstruction, or replacement of dwellings or farm buildings lost, destroyed, or damaged by such causes and securing such outstanding indebtedness. Such loans may also provide for the purchase of building sites, when the original sites cannot be utilized.

"(b) The Secretary of Agriculture is authorized to compromise or release such portion of a borrower's indebtedness under programs administered by the Rural Electrification Administration in Alaska as he finds necessary because of loss, destruction, or damage of property resulting from the 1964 earthquake and subsequent seismic waves.

SEC. 52. The Housing and Home Finance Administrator is authorized to compromise or release such portion of any note or other obligation held by him with respect to property in Alaska pursuant to title II of the Housing Amendments of 1955 or included within the revolving fund for liquidating programs established by the Independent Offices Appropriation Act of 1955, as he finds necessary because of loss,

destruction, or damage to facilities securing such obligations by the 1964 earthquake and subsequent seismic waves.

"URBAN RENEWAL

"SEC. 53. The Housing and Home Finance Administrator is authorized to enter into contracts for grants not exceeding \$25,000,000 for urban renewal projects in Alaska, including open land projects, under section 111 of the Housing Act of 1949, which he determines will aid the communities in which they are located in reconstruction and redevelopment made necessary by the 1964 earthquake and subsequent seismic waves. Such authorization shall be in addition to and separate from any grant authorization contained in section 103(b) of said Act.

"EXTENSION OF TERM OF HOME DISASTER LOANS

"SEC. 54. Loans made pursuant to paragraph (1) of section 7(b) of the Small Business Act (72 Stat. 387), as amended (15 U.S.C. 636(b)), for the purpose of replacing, reconstructing, or repairing dwellings in Alaska damaged or destroyed by the 1964 earthquake and subsequent seismic waves, may have a maturity of up to thirty years: *Provided*, That the provisions of section 7(c) of said Act shall not be applicable to such loans.

"MODIFICATION OF CIVIL WORK PROJECTS

"SEC. 55. The Chief of Engineers, under the direction of the Secretary of the Army, is hereby authorized to make such modifications to previously authorized civil works projects in Alaska adversely affected by the 1964 earthquake and subsequent seismic waves as he finds necessary to meet changed conditions and to provide for current and reasonably prospective requirements of the communities they serve, at an estimated cost of \$10,000,000.

"PURCHASE OF ALASKA STATE BONDS

"SEC. 56. The Housing and Home Finance Administrator is authorized to purchase, in accordance with the provisions of sections 202(b), 203, and 204 of title II of the Housing Amendments of 1955, the securities and obligations of, or make loans to, the State of Alaska to finance any part of the programs needed to carry out the reconstruction activities in Alaska related to the 1964 earthquake and subsequent seismic waves: *Provided*, That the aggregate amount of such purchase or loan shall not exceed \$25,000,000."

APPROPRIATION AUTHORIZATION

SEC. 5. There is authorized to be appropriated such sums as may be necessary to carry out the provisions of this Act, which shall be available for obligation until June 30, 1967. There is also authorized to be appropriated such sums as may be necessary for the expenses of such advisory commissions or committees as the President may establish in connection with the reconstruction and development planning of the State of Alaska.

TERMINATION DATE

SEC. 6. The authority contained in this Act shall expire on June 30, 1967, except that such expiration shall not affect the payment of expenditures for any obligation or commitment entered into under this Act prior to June 30, 1967.

SECTION-BY-SECTION ANALYSIS OF THE "1964 AMENDMENTS TO THE ALASKA OMNIBUS ACT"

SECTION 1

The short title of the proposed bill is the "1964 Amendments to the Alaska Omnibus Act."

SECTION 2

This section recognizes the national concern over the 1964 Alaskan earthquake and the resultant damage. It also recognizes that there is an urgent need to provide special assistance to the State in carrying out its own efforts toward reconstruction and rehabilitation.

SECTION 3

This section amends section 21 of the Alaska Omnibus Act by adding at the end thereof a new subsection (f).

It is currently estimated that the repair or reconstruction of highways in Alaska damaged by the recent earthquake may cost up to \$65 million. These highways are essential to the economic well-being of the State.

Some of the highways affected are forest highways. The cost of repair and reconstruction of these highways may run to \$29 million and can be accomplished under existing authority with 100 percent Federal funds.

It is estimated that up to \$36 million will be required to repair or reconstruct the Federal-aid highways in the disaster area of the State. Under existing law the cost of repair or reconstruction of Federal-aid highways is shared on a 50-50 basis by the Federal and State Governments. Thus, Alaska's share of the highway reconstruction cost would be \$18 million. If this were new construction, the Federal share would be 94.9 percent because of the so-called sliding scale provisions applicable to Federal-aid highways located in States wherein the unappropriated and unreserved public lands and non-taxable Indian lands, individual and tribal, exceed 5 percent of the total area of all lands therein (1961 statistics show the total acreage of Alaska to be 365,481,600 acres of which 337,497,545 acres are part of the public domain or about 90 percent of the total acreage in the State).

This new subsection is designed to increase the Federal share of reconstruction from 50 to 94.9 percent of the total cost by making the "sliding scale provisions" of section 120(a) of title 23 applicable to these Federal-aid highways in Alaska. It limits the increase in the Federal share to not more than \$15 million in the aggregate and provides that the amount of the increase shall be reimbursed to the highway emergency fund by an appropriation from the general fund of the Treasury. The initial 50 percent of the Federal share would continue to be financed in the presently authorized manner.

In view of the dimensions of the recent disaster in Alaska and the resulting drain on the State's resources, it seems appropriate to increase the Federal share in the manner proposed in this case.

SECTION 4

This section of the proposed bill amends the Alaska Omnibus Act by adding six new sections to the existing provisions of that Act.

Federal loan adjustments

Section 51(a) would authorize the Secretary of Agriculture to make adjustments in indebtedness of farmers and rural residents who are borrowers of the Farmers Home Administration to enable them to have a reasonable opportunity to overcome losses suffered from the earthquake and become re-established on a sound basis. It would also provide authority for refinancing these and other farmers and rural residents similarly damaged. This authority is intended to apply to communities of 2,500 persons or less, as the Small Business Administration will handle such refinancing in larger communities.

When geological surveys determine the original building site to be unusable, Farmers Home Administration would be authorized to include funds in the loans for purchase of a replacement building site.

The Farmers Home Administration has loans outstanding with 200 families in Alaska, totaling approximately \$4 million. These families could not obtain credit from other sources at the time they received their loans. Therefore, such families who suffered damage or loss to their real or chattel property and partial or total loss of income for an indefinite period ordinarily would be unable to recover from their losses without an adjustment in their debts. Special assistance of the type provided in this section of the proposed bill would be necessary for some of these families to recover from this disaster.

Section 51(b) would authorize the Secretary of Agriculture to adjust indebtedness of borrowers in Alaska from the Rural Electrification Administration as he finds necessary because of property loss directly resulting from the earthquake. It is intended that such adjustments would not take into accounts loss of revenue.

The Rural Electrification Administration has loans outstanding in Alaska to nine electric cooperatives aggregating \$76,362,468, and to two public bodies aggregating \$2,479,000. There is also one loan outstanding to a telephone cooperative in the amount of \$1,863,000. Preliminary reports indicate that substantial damage has been sustained by two electric cooperatives—Chugach Electric Association, Anchorage, with a loan commitment in the amount of \$47,494,000, and Kodiak Electric Association, Kodiak, with a loan commitment in the amount of \$1,555,000. Funds actually advanced to these two systems total \$31,957,436, and the outstanding balance of principal and accumulated interest owed by them is \$29,322,611.

An appraisal of the damage is now underway as is a determination of their ability to repay the outstanding balances of their loans and to carry the additional debt which will be required to finance the re-establishment of their systems on an economically feasible basis. Special assistance of the type provided in this proposal in an amount not yet determined may be necessary to facilitate the restoration

and repair of facilities damaged or destroyed as a result of the earthquake.

It is intended that the authorities in section 51 would be used despite any restrictive provisions of existing law relating to compromises, settlements, or adjustments of borrower's indebtedness under these programs.

Section 52 would authorize the Housing and Home Finance Administrator to compromise or release such portion of any obligations which he holds in Alaska under the public facility loan program or under the revolving fund for liquidating programs, to the extent he finds that such relief is necessary because the facilities securing these obligations have been substantially damaged by the recent earthquake. Presently, the Administrator has no authority to provide any relief in situations such as this, beyond the rescheduling of required loan payments.

Under the revolving fund for liquidating programs, the Housing Administrator holds obligations received in three programs which are now no longer operative: The Alaska housing loan program, the public agency loan program (RFC), and the prefabricated housing loan program. There has been extensive damage, estimated to total about \$1.5 million, to two projects financed under the Alaska housing loan program. These are the McKinley Apartments and the 1200 L Apartments, high-rise projects in downtown Anchorage. The mortgages on these properties are pledged by the Alaska State Housing Authority to the Administrator as part of the security for the Federal loan it received under the Alaska housing loan program for the financing of these apartments. It is not yet certain whether the damage to these properties will prevent the Authority from making full payment of its Federal obligation.

The effect of sections 51 and 52 will be to place these programs in Alaska on the same general footing as other Federal loan programs which presently adjust their borrowers' indebtedness under disaster conditions.

It should be noted that the disaster relief authority of the Office of Emergency Planning may be able to accomplish some of the objectives of sections 51(b) and 52 and section 53 below. It is expected that such authority would be used to the maximum extent possible in such cases.

Urban renewal

Section 53 would authorize the Housing and Home Finance Administrator to enter into contracts for urban renewal projects in Alaska up to a maximum of \$25 million under title I of the Housing Act of 1949. This authorization would be available only in connection with projects which he finds will directly aid in the reconstruction and redevelopment of the areas in Alaska that were substantially damaged or destroyed by the recent disaster. While housing legislation pending in the Congress provides for an increase in existing urban renewal grant authority, the recent disaster makes it essential that some additional contract authority be requested for use in Alaska in advance of the enactment of the pending legislation.

A number of communities in the disaster area of Alaska are considering or have made applications for urban renewal projects. These are Anchorage, Homer, Kodiak, Seldovia, Seward, and Valdez.

Currently available estimates indicate that the total cost of these projects may be \$59 million. The Federal share of this cost would be about \$45 million. This share is made up of 75 percent of the project costs plus 100 percent of relocation costs, which is the usual formula for cities of this size.

Since planning of all these projects is still underway by the local communities, the estimates of costs are highly tentative and may be revised substantially downward. In any event the \$25 million additional grant authority proposed in the bill would be sufficient to proceed on a timely basis and to take advantage of the forthcoming construction season which in Alaska is extremely short. To the extent that additional grant funds may be needed to carry out these projects, they would be made available from regular urban renewal grant authorizations.

While it is recognized that these communities may lack sufficient funds as a result of the earthquake to meet the local share, it is expected that the State will assist these communities in meeting their share through the marketing of its bonds. In this connection, provision is made in section 56 of this bill for the Housing and Home Finance Administrator to purchase up to \$25 million of Alaska State bonds or to make loans in that amount to assist the State's reconstruction effort.

The earthquake has created exceptional circumstances which may make it necessary to relocate the town of Valdez on open land some distance from the present site. Existing urban renewal law does not authorize the making of grants for projects consisting of open land, since it was anticipated that such projects, not involving any demolition of structures, could be carried out without cost. It is possible, however, that grants may be required if Valdez is relocated.

Section 53 would therefore authorize the Administrator to make grants for urban renewal projects consisting of open land in the disaster area. It is expected that the use of this authority will be limited to the possible relocation of Valdez.

Extension of term of home disaster loans

Section 54 would authorize the Administrator of the Small Business Administration to make loans, in accordance with the provisions of section 7(b)(1) of the Small Business Act, for the repair or reconstruction of homes destroyed or damaged in Alaska by the recent earthquake for a maximum period of 50 years. In making such loans, however, the Administrator could not extend the maturity date, as provided in section 7(c) of the act, for an additional 10 years. Presently, all loans made under section 7(b)(1) of the act must mature in 20 years or less; section 7(c) authorizes an extension for an additional 10 years or less for the orderly liquidation of the loan, if needed.

Modification of civil works projects

Section 55 would authorize the Secretary of the Army through the Chief of Engineers to modify existing civil works projects in Alaska to meet the changed conditions brought about by the recent earthquake and the current and prospective needs of the communities affected by these projects. Existing projects may be expanded where economically feasible and if the most economic method for construction of the expansion is concurrent with, or in lieu of, replacement of the damaged installation.

Purchase of State bonds

Section 56 would authorize the Housing and Home Finance Administrator to purchase, in accordance with the applicable provisions of the existing public facility loan program and from funds available in the public facility loan revolving fund, up to \$25 million of State of Alaska bonds issued to finance the State's share of earthquake reconstruction projects. Alternatively, the Administrator could make a loan to the State for this purpose.

These bonds would have a maximum maturity of 40 years. It is contemplated that the State would receive the more favorable interest rate available to public bodies in redevelopment areas from HHFA (currently 3½ percent), and that the State would be able to improve on this rate in the private market within 2 years. It is further contemplated that the first principal repayment might be deferred for a few years after the granting of the loan or the purchase of the bonds. The exact repayment schedule would be determined by the Administrator, taking into account the probable future capacity of Alaska to meet these principal repayments. As soon as the State's regular credit standing is restored, the bonds would either be sold in the private market by the Federal Government, or refunded in the private market by the State.

Shortly after the Alaskan earthquake, the State legislature authorized a \$50 million bond issue to help finance reconstruction, recovery, and some other capital projects. Since this action, the State authorities have tended to the view that the authorized bonds are unmarketable except at prohibitive interest costs.

There is no question that the State of Alaska—even with the favorable proposals for Federal assistance—will be faced in the next 2 years with abnormally high capital investment requirements, but with a temporary decline in investor interest in the State's obligations. The result, without further assistance, would be to require the State to pay high interest rates which cannot be justified over the long run and which would add to the State's financial burdens.

While it is not expected that all of the \$50 million would have to be offered in connection with the present disaster, it appears that one-half or more may be required to supplement the State's revenues and extended transition grants in order to carry out its share of major reconstruction and rehabilitation projects, such as highways and urban renewal. It is expected that up to \$14 million of the bonds would be used by the State to assist the local communities in meeting their share of urban renewal projects contemplated in the disaster area. Federal assistance in marketing this portion of the \$50 million seems warranted to insure the success of other Federal proposals to aid the State's reconstruction efforts.

If the bonds are bought by the Federal Government as proposed in this bill, it should be possible within a reasonably short time for them to be resold or refinanced in the private market. As a result:

- (a) Alaska's temporary needs would be met;
- (b) No penalty interest costs would be involved; and
- (c) The Federal Government's cost could be recovered as soon as it was no longer needed.

SECTION 5

This section authorizes the appropriation of necessary funds to the various agencies to carry out the provisions of this bill. The appropriations would be made available for obligation until June 30, 1967. This should provide sufficient time for the State to take advantage of the special Federal assistance made available by this bill.

Section 5 would also authorize appropriations for such advisory commissions or committees as the President may establish in connection with Alaskan reconstruction and development planning. It is intended that this authority would be available for the expenses of the existing Federal Reconstruction and Development Planning Commission for Alaska.

SECTION 6

This section provides for the termination on June 30, 1967, of the authorities contained in this bill. It is recognized, however, that certain projects may not be completed then, and provision is made for expenditures on approved projects beyond that date.

INDIVIDUAL VIEWS OF MR. GRUENING

The State of Alaska and its citizens are highly appreciative of and deeply moved by the sympathetic response of the people of the rest of the United States to the damage and distress resulting from the Good Friday earthquake and resulting seismic waves.

This bill represents yet another step in the process of Federal aid to the stricken State of Alaska and its people. Its provisions are sorely needed and will be thankfully received.

During the consideration of this bill by the committee, I offered a number of amendments. Senator Anderson, in his capacity as a member of the committee, as Chairman of the Special Committee of the Whole which held hearings on the bill, and as Chairman of the Federal Reconstruction and Development Planning Commission for Alaska, opposed all the amendments I offered.

One amendment was adopted by the committee. One amendment was limited in scope. The other amendments were tabled.

It is important that the record clearly state my objectives in offering these amendments and what they sought to accomplish.

These were not unreasonable attempts to secure everything possible for the State of Alaska and its people from the Federal Treasury. Far from being an attempted raid on the Federal Treasury, it was an attempt to maximize the effectiveness of the Federal aid already given and to be given. The old adage "For want of a nail * * * the kingdom was lost" is particularly appropriate to this situation.

With 50 percent of the income base of the State of Alaska gone, the task is to rehabilitate the private sector of the economy to bring the tax revenues flowing back to the State government as soon as possible so that it can resume normal functions. Incidentally, the renewal of such flow would also produce Federal tax revenues.

What does it profit the Federal Government to dangle the carrot of urban renewal—badly needed—before the people of Anchorage at matching rates which they simply cannot afford because their tax base has been crippled by the earthquake?

What justice and equity is there in a policy of the Federal Government making the forgiveness of the mortgage indebtedness of an Alaskan FHA-insured homeowner whose home is destroyed or severely damaged depend on whether the Federal National Mortgage Association has or has not resold the mortgage to a private lending institution?

How can the Federal Government justify charging the State of Alaska 3¾ percent interest on the \$25 million to be loaned to it while lending billions to scores of foreign nations at three-quarters of 1 percent interest?

To correct these injustices and to make practical the Federal aid to be given, I offered in committee three amendments.

Two amendments were tabled. The third was severely limited.

The amendments are discussed in detail below.

1. URBAN RENEWAL (AMENDMENT NO. 801)

In disaster areas, urban renewal can normally be financed with 75 percent Federal funds and 25 percent State and local funds. In Alaska, because of the severe losses in several communities of property and income tax bases and the 50-percent loss by the State of its own tax base, financing urban renewal projects on a 75 to 25 ratio would be a practical financial impossibility.

My amendment would have permitted the Administrator of the Housing and Home Finance Agency to permit Federal matching for urban renewal projects in disaster areas up to 90 percent. Senator Anderson opposed the amendment.

The 90 to 10 matching proposal was originally made by the HHFA, but was not approved in the draft of the bill sent to the President by Senator Anderson.

The amount involved is small—at most a difference of only \$6 million. But to the stricken communities which had had their tax bases literally wiped out this amount can make the difference between their ability to recover or not.

Thus to the town of Kodiak it means the difference between its share being \$1,993,608 or being \$797,443—a difference of \$1,196,165. This is 1½ times the total revenue (\$747,602) of Kodiak in fiscal year 1963.

The committee accepted my amendment, but limited it to communities under 6,000 population.

The committee thus excluded the city of Anchorage on the recommendation of Senator Anderson who expressed his belief that Anchorage could afford to pay 25 percent as its share of matching, despite the statements to the contrary by the mayor of Anchorage, the Governor of Alaska, and the Alaska congressional delegation.

By excluding Anchorage from the more favorable matching terms of 90 to 10, the urban renewal program in Anchorage will cost an additional \$4,390,000. This is about one-third of the total anticipated 1964 revenue for Anchorage.

Since news of the committee's action was announced, the city of Anchorage has again reiterated its position that it cannot go ahead with its urban renewal plans on a 75-25 basis.

What does the Federal Government gain by killing urban renewal in Anchorage? It is being penny wise and pound foolish. It is insuring that the tax base in Anchorage will not rebound for many additional years, thereby keeping tax returns depressed for many additional years. The growth of Anchorage would be much slower and the tax returns lost to the Federal Government by this parsimonious action will be many times the \$4 million involved.

And the ironic part of this committee action is that my amendment was discretionary only. It set 90 percent as the maximum. The matching ratio could be set at any figure from 75 to 90 percent by the Administrator of the Housing and Home Finance Agency after careful evaluation of the financial abilities of Anchorage to pay.

Attempting to saddle the stricken city of Anchorage with an additional financial burden on the basis of guesstimate of its financial condition runs contrary to the facts cited by knowledgeable State and local officials and is unfair, unjust, and inequitable.

The total cost of this amendment is only \$4,390,000.

2. FORGIVENESS FOR FHA-INSURED HOMEOWNERS (AMENDMENT NO. 870)

Another amendment which I proposed would permit the Federal National Mortgage Association (Fannie Mae) to buy at par mortgages on FHA-insured homes in Alaska which were destroyed or severely damaged where the mortgages are not held by Fannie Mae.

Under existing HHFA policies, FHA mortgages on homes severely damaged or destroyed in Alaska can be forgiven upon the payment of \$1,000 provided the mortgages are held by Fannie Mae. Some of these mortgages were purchased by Fannie Mae out of its special assistance fund. Some FHA mortgages on such houses are still held by banks, never having been purchased by Fannie Mae. Some were purchased by Fannie Mae and resold.

This amendment would have done equity among FHA-insured homeowners in Alaska whose homes were destroyed or severely damaged. The homeowner could not control the sale to or the purchase by Fannie Mae of his mortgage. Nor could the homeowner control the resale of his mortgage by Fannie Mae. That was purely a matter of chance.

Without this amendment, Alaska homeowners in the same circumstances will be dealt with unfairly.

This is not a question of rescuing the banks holding the mortgages, but rather rescuing the homeowners who gave the mortgages. Banks cannot forgive a legal indebtedness without making every effort to collect. Forgiveness would not be permitted by the State banking commissioner. Forgiveness would not be permitted by the Internal Revenue Service as a writeoff as for a bad debt. Collection of any disaster insurance carried by any of the banks is also dependent on diligent efforts to collect the indebtedness.

The result will therefore be that many homeowners in Alaska having FHA-insured mortgages may have to go through bankruptcy in order for the banks to prove that they took diligent steps to collect the indebtedness. Others may be saddled with double indebtednesses.

This could be happening while a next door neighbor, whose FHA-insured house was also destroyed, could obtain forgiveness solely because of the chance that the FHA-insured mortgage had been purchased by Fannie Mae and not resold.

This amendment was supported by the National Association of Mutual Savings Banks in the following communication:

NATIONAL ASSOCIATION OF MUTUAL SAVINGS BANKS,
New York, N.Y., June 10, 1964.

HON. HENRY M. JACKSON,
U.S. Senate, Washington, D.C.

DEAR SENATOR JACKSON: This is in response to your letter of June 4 and telegram of June 9 with respect to the problems and proposed legislation (S. 2881) concerning Alaskan properties damaged by the recent earthquake. I am pleased to have the opportunity to comment on these matters and to offer you precise information on the volume and status of Alaskan mortgage loans held by mutual savings banks.

You will note from the attached exhibits based on a direct survey made by our national association as of April 30, 1964, that 14 mutual savings banks in 7 States held 2,778 mortgage loans in Alaska, amount-

ing to \$61,550,000. The bulk of these loans are insured by the Federal Housing Administration and are on one- to four-family properties. Only 32 loans totaling \$884,000 were secured by properties destroyed or beyond repair. As you can see, such loans account for only a little over 1 percent of the total—both number and amount.

Our information is that 4 of the 14 savings banks, having loans in Alaska, are covered by all-risk insurance. The coverage and terms of this insurance are not precisely known to us, but in at least one case, we know that the savings bank must take every legal action to recover whatever it can directly from the borrower before insurance proceeds are disbursed.

With respect to S. 2881, we urge the adoption of the amendment offered by Senator Gruening, proposing a new section 57 authorizing the Federal National Mortgage Association to purchase FHA-insured loans, in an amount not to exceed \$10 million, on Alaskan properties destroyed or irreparably damaged as a result of the earthquake. This proposal is in line with the suggestion made in our letter of May 14, 1964, to Dr. Robert Weaver, Administrator of the Housing and Home Finance Agency, a copy of which was sent to you. As noted in that letter, current Federal actions provide relief only for those home mortgagors whose mortgage contracts happen to be held by FNMA or VA. Other home mortgagors, whose homes have been destroyed or irreparably damaged, but whose mortgage obligations are held by private lenders are being ignored. The Gruening amendment would go a long way toward correcting this inequity.

While we are aware that it is impossible to resolve all inequities arising out of tragic disasters, I hope you will agree that the Government should not knowingly discriminate among its citizens when it can readily avoid doing so. And the Gruening amendment offers an opportunity to deal more equitably with the plight of Alaskan homeowners than the proposals made and actions taken to date.

We urge the incorporation of section 57 in S. 2881, not only because of equity considerations to mortgage borrowers, but equally important because of the great needs Alaska has for expanded flows of private capital. Such capital will not be forthcoming unless private investors have confidence in the willingness and ability of the Federal Government to proceed equitably and imaginatively in dealing with emergency situations. The citizens of Alaska are able and willing to rebuild their State stronger than ever before and this can be done most effectively only through an accelerated flow of private capital.

In sum, the Gruening amendment appears eminently fair and feasible. We urge that you support it, not out of selfish concern for our industry—which you can see from the enclosed statistics stands to suffer only inconsequential losses—but out of broader considerations for the longer run welfare of Alaska and its citizens.

Thank you for your consideration of this letter.

Sincerely yours,

GROVER E. ENSLEY,
Executive Vice President.

NATIONAL ASSOCIATION OF MUTUAL SAVINGS BANKS

TABLE 1.—*Mortgage loans held by mutual savings banks on properties in Alaska, Oct. 31, 1962, and Apr. 30, 1964*

[Amounts in thousands of dollars]

Savings bank State	Number of banks	Total		Type of loan			
				FHA		Conventional	
		Number	Amount	Number	Amount	Number	Amount
	Oct. 31, 1962						
New York.....	4	911	23, 273	911	23, 273		
Massachusetts.....	2	46	634	46	634		
Other ¹	4	186	4, 730	61	1, 477	125	3, 253
Total.....	10	1, 143	28, 637	1, 018	25, 384	125	3, 253
	Apr. 30, 1964						
New York.....	5	1, 489	35, 153	1, 489	35, 153		
Massachusetts.....	3	230	6, 269	230	6, 269		
Washington.....	2	111	1, 579			111	1, 579
Other ²	4	948	18, 549	415	10, 444	533	8, 105
Total.....	14	2, 778	61, 550	2, 134	51, 866	644	9, 684

¹ Includes Alaska, Minnesota, Rhode Island, and Washington.² Includes Alaska, Minnesota, Rhode Island, and Pennsylvania.

NOTE.—There were no holdings of VA guaranteed loans reported. Data were obtained by a direct survey made by the National Association of Mutual Savings Banks.

TABLE 2.—*Mortgage loans held by mutual savings banks on properties located in Alaska—Total and loans affected by property damage, by type of loan and property, Apr. 30, 1964*

[Amounts in thousands of dollars]

Type of loan and property	Total loans held		Estimated number and amount of loans affected by property damage							
			Loans on property destroyed or beyond repair				Loans on property incurring lesser damage			
			Number		Amount		Number		Amount	
	Number	Amount	Total	Percent of total held	Total	Percent of total held	Total	Percent of total held	Total	Percent of total held
FHA insured.....	2,134	51,866	28	1.3	777	1.5	147	6.9	3,711	7.2
1- to 4-family.....	2,132	49,496	28	1.3	777	1.6	147	6.9	3,711	7.5
Multifamily.....	2	2,370	-----	-----	-----	-----	-----	-----	-----	-----
VA guaranteed.....	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----
Conventional.....	644	9,684	4	.6	107	1.1	44	6.8	826	8.5
Total.....	2,778	61,550	32	1.2	884	1.4	191	6.9	4,537	7.4

NOTE.—See note to table 1.

By its terms, the total cost of this amendment was limited to \$10 million. The funds would come from Fannie Mae's special assistance funds—the very fund originally used by Fannie Mae to purchase some of the FHA-insured mortgages on Alaska homes. Through June 11, 1964, there had been authorized under the Fannie Mae

special assistance funds over \$2 billion, of which \$181,756,000 had not yet been allocated. The amount involved in this amendment is therefore less than 6 percent of the total Fannie Mae special assistance fund available for allocation and would in no way disturb allotments already made for other special assistance functions.

The adoption of this amendment could do much to relieve the approximately 120 Alaska homeowners thus discriminated against from heavy debt burdens and possible bankruptcy. As one homeowner wrote me:

A great many of us are still expecting the Federal Government through FNMA to purchase the FHA guaranteed loans that are in the slide area in Turnagain. FNMA did offer to buy the loans that they have in their portfolio, but these number but a few. This seems to be a lopsided situation with a few people getting the benefit of having their loans with FNMA where some others have their loans in private portfolios.

Simple justice would have dictated the acceptance of my amendment. This amendment was also opposed by Senator Anderson and was tabled.

3. INTEREST ON FEDERAL FUNDS LOANED THE STATE OF ALASKA (AMENDMENT NO. 380)

Another amendment I offered would have reduced the interest rate on bonds issued by the State of Alaska for reconstruction of disaster damage, and purchased by the Housing and Home Finance Agency, to three-quarters of 1 percent, repayable in 50 years with a moratorium on repayment of principal for the first 10-years.

The bill provides for a rate of interest of 3½ percent (3¼ percent after July 1) with a repayment schedule of 40 years and no moratorium.

Immediately after the Good Friday disaster, the Legislature of the State of Alaska—as an indication of its willingness to do all within its means to undertake the recovery of the stricken economy of Alaska—authorized the issuance of \$50 million worth of general revenue bonds. However, 50 percent of Alaska's economic base was destroyed by the earthquake and bond experts now state that State bonds can only be marketed now at an interest rate of considerably more than 3½ percent.

At an interest rate of 3½ percent, interest on \$25 million of State bonds over the course of 40 years would cost the State of Alaska more than \$18 million. If the interest rate could be reduced to three-quarters of 1 percent, with a moratorium on repayment of principal for the first 10 years, and repayment spread over 50 years, the saving to the State of Alaska would be almost \$13 million and the repayment terms would be more within the means of the State.

What I suggested to the committee was that the Federal Government loan Federal funds to the State of Alaska at the same terms on which it makes loans to foreign countries under the foreign assistance program.

There are several reasons in support of this suggestion.

In the first place, the foreign loans are made at three-fourths of 1 percent interest whether or not there had been a disaster in the

foreign country. Alaska has suffered a major disaster and should be entitled to at least equal treatment.

In the second place, there is no doubt that the loan to the State of Alaska will be repaid to the Federal Government. On the basis of past experience, there is considerable doubt that the foreign loans will ever be repaid to the United States.

In the third place the loan to the State of Alaska generates tax revenues. Our loans to foreign countries produce revenues for those foreign countries, not for the United States.

In the calendar year 1963 alone, AID made loans in the amount of over \$1 billion to 35 foreign countries at terms of three-fourths of 1 percent interest, moratorium of 10 years on the repayment of principal, and repayment of principal in 40 years. (See list below.)

Loans made by the Agency for International Development to foreign countries during calendar year 1963 at $\frac{3}{4}$ of 1 percent for 40 years ¹

[Repayable in dollars]

Country and borrower	Purpose	Date of loan agreement	Number of years repayment	Interest rate	Amount of loan
LATIN AMERICA					
Argentina:					
Government of Argentina.	Central housing bank	June 3, 1963	40	$\frac{3}{4}$	\$12,500,000
Do	Route 12 road project	Jan. 21, 1963	40	$\frac{3}{4}$	6,700,000
Do	Road program loan	Mar. 18, 1963	40	$\frac{3}{4}$	30,500,000
Do	Feasibilities studies	June 3, 1963	40	$\frac{3}{4}$	3,000,000
Do	Grain storage facilities	Oct. 10, 1963	40	$\frac{3}{4}$	21,700,000
Bolivia:					
Government of Bolivia	Access roads	Aug. 1, 1963	40	$\frac{3}{4}$	7,200,000
Do	La Paz-El Alto Highway	Aug. 17, 1963	40	$\frac{3}{4}$	3,400,000
Do	El Alto Customs Center	do	40	$\frac{3}{4}$	2,200,000
Banco Industrial, S.A.	Assist in financing sub-loans.	do	40	$\frac{3}{4}$	2,400,000
Government of Bolivia	Agricultural bank	do	40	$\frac{3}{4}$	3,700,000
Brazil:					
Credito E Financiamiento, S. A.	Development bank	Mar. 6, 1963	40	$\frac{3}{4}$	4,000,000
CIA de Carbonos Coloidais.	Carbon black plant	Mar. 11, 1963	40	$\frac{3}{4}$	2,000,000
Government of Brazil	Emergency stopgap assistance.	Apr. 24, 1963	40	$\frac{3}{4}$	25,500,000
Super Desenvolvimento, N.E.	Emergency electric power	Oct. 29, 1963	40	$\frac{3}{4}$	2,400,000
Chile: Government of Chile	Development program	Jan. 31, 1963	40	$\frac{3}{4}$	35,000,000
Colombia:					
Government of Colombia	Feasibility studies	June 26, 1963	40	$\frac{3}{4}$	4,000,000
National Housing Institute of Colombia.	Self-help housing	do	40	$\frac{3}{4}$	7,500,000
Colombia Institute of Agrarian Reform.	Supervised A.G. credit	do	40	$\frac{3}{4}$	10,000,000
Government of Colombia	Mineral resources survey	Sept. 18, 1963	40	$\frac{3}{4}$	2,000,000
Costa Rica:					
Banco Nacional de Costa Rica.	Agricultural development	July 23, 1963	40	$\frac{3}{4}$	5,000,000
Republic of Costa Rica	Slum replacement housing.	do	40	$\frac{3}{4}$	2,000,000
Do	Cachi hydroelectric project.	do	40	$\frac{3}{4}$	1,500,000
Do	Metro emergency water supply.	do	40	$\frac{3}{4}$	1,400,000
Do	IBRC/AIC highway program.	do	40	$\frac{3}{4}$	2,100,000
C.O.F.I.S.A.	Financing subloans	Dec. 23, 1963	40	$\frac{3}{4}$	5,000,000
Dominican Republic: National Housing Bank.	Savings and loan association.	Jan. 2, 1963	40	$\frac{3}{4}$	2,100,000
Ecuador:					
Government of Ecuador	Quito-Quevede Rd.	Sept. 1, 1963	40	$\frac{3}{4}$	2,700,000
Do	Economic and engineering studies.	Sept. 4, 1963	40	$\frac{3}{4}$	2,000,000
Do	Administrative and fiscal reform.	Sept. 2, 1963	40	$\frac{3}{4}$	1,600,000

See footnotes at end of table, p. 29.

Loans made by the Agency for International Development to foreign countries during calendar year 1963 at ¾ of 1 percent for 40 years—Continued

[Repayable in dollars]

Country and borrower	Purpose	Date of loan agreement	Number of years repayment	Interest rate	Amount of loan
LATIN AMERICA—Continued					
El Salvador: Republic of El Salvador	Primary school construction.	Sept. 18, 1963	40	¾	\$2,400,000
Do.....	Agricultural loan program.	do.....	40	¾	8,900,000
Do.....	INSAFI.	do.....	40	¾	4,500,000
Honduras: Government of Honduras.	Small water systems.	Aug. 22, 1963	40	¾	1,050,000
Jamaica: Government of Jamaica.	Project assistance.	Nov. 29, 1963	40	¾	1,500,000
Nicaragua: Government of Nicaragua.	Las Mercedes Airport.	July 25, 1963	40	¾	1,000,000
Panama: Instituto de Acueductos.	Water supply and sewerage system.	Feb. 6, 1963	40	¾	6,000,000
Peru: Government of Peru.	Lima water sewerage.	Mar. 15, 1963	40	¾	8,600,000
Do.....	Feasibility studies.	do.....	40	¾	3,000,000
Uruguay: Banco Hipotecario del Uruguay.	Home construction.	Feb. 28, 1963	40	¾	6,000,000
Venezuela: C.A. Bank for Economic Integration.	Feasibility studies.	Nov. 29, 1963	40	¾	2,500,000
Do.....	Home loan department.	do.....	40	¾	10,000,000
FAR EAST					
Korea: Government of Korea.	Changsong coal mine district.	Dec. 7, 1963	40	¾	9,500,000
NEAR EAST AND SOUTH ASIA					
Afghanistan: Government of Afghanistan.	Ariana Afghan Airlines.	Mar. 23, 1963	40	¾	2,625,000
Do.....	Transport equipment.	Dec. 3, 1963	40	¾	2,000,000
India: Government of India.	Ramagundam thermal power.	May 21, 1963	40	¾	8,400,000
Do.....	Delhi C thermal power.	Mar. 8, 1963	40	¾	16,000,000
Do.....	Satpura thermal power.	do.....	40	¾	25,100,000
Do.....	Central Ropeway F project.	Oct. 21, 1963	40	¾	7,700,000
Do.....	Nonproject imports.	Feb. 25, 1963	40	¾	240,000,000
Do.....	Chandrapura thermal stage II.	Oct. 21, 1963	40	¾	16,000,000
Do.....	5th railway loan.	do.....	40	¾	15,850,000
Do.....	Cuega coal washery plant.	Nov. 29, 1963	40	¾	5,100,000
Do.....	Tarapur nuclear power.	Dec. 7, 1963	40	¾	80,000,000
Nepal: Government of Nepal.	Nepal Industrial Development Corp.	Dec. 8, 1963	40	¾	1,000,000
Pakistan: Government of Pakistan.	Sawmill and timber extraction.	Oct. 23, 1963	40	¾	2,200,000
Do.....	Malaria eradication program.	Feb. 28, 1963	40	¾	3,800,000
Do.....	Airport and airways equipment.	Mar. 22, 1963	40	¾	2,100,000
Do.....	Salin Cont. and Reclamation Project No. 2.	do.....	40	¾	10,800,000
Do.....	General commodities 2d.	Mar. 27, 1963	40	¾	30,000,000
Do.....	Chalna anchorage project.	Mar. 22, 1963	40	¾	3,600,000
Do.....	Feasibility studies.	Mar. 27, 1963	40	¾	2,000,000
Do.....	CPS and Maini-Rechna DCAB project.	Aug. 15, 1963	40	¾	750,000
Do.....	Coastal embankment project.	do.....	40	¾	6,500,000
Do.....	General consultants.	do.....	40	¾	4,500,000
Do.....	3d commodity loan.	Sept. 28, 1963	40	¾	70,500,000
Do.....	General services in public health.	Dec. 9, 1963	40	¾	1,500,000
Do.....	Investigative services.	Nov. 20, 1963	40	¾	5,600,000
Do.....	5th railway loan.	do.....	40	¾	14,500,000
Do.....	Telecommunication expansion.	Oct. 23, 1963	40	¾	4,700,000
Do.....	Machinery pool organization, WAPCA.	Dec. 9, 1963	40	¾	5,000,000
Do.....	Mechanical equipment.	Nov. 20, 1963	40	¾	1,500,000

See footnotes at end of table, p. 29.

Loans made by the Agency for International Development to foreign countries during calendar year 1963 at $\frac{3}{4}$ of 1 percent for 40 years ¹—Continued

[Repayable in dollars]

Country and borrower	Purpose	Date of loan agreement	Number of years repayment	Interest rate	Amount of loan
NEAR EAST AND SOUTH ASIA—Continued					
Turkey:					
Government of Turkey...	Keban and Ciceroz feasibility studies.	July 15, 1963	40	$\frac{3}{4}$	\$350,000
Do.....	Feasibility studies.....	Oct. 15, 1963	40	$\frac{3}{4}$	3,000,000
Do.....	General commodities.....	Sept. 11, 1963	40	$\frac{3}{4}$	35,000,000
United Arab Republic (Egypt):					
Government of United Arab Republic.	Cairo west power project..	Feb. 20, 1963	40	$\frac{3}{4}$	30,600,000
Do.....	Cardboard project.....	Nov. 12, 1963	40	$\frac{3}{4}$	5,700,000
AFRICA					
Cameroon: Government of Cameroon.	Extension of railway system.	Aug. 27, 1963	40	$\frac{3}{4}$	9,200,000
Ethiopia: Government of Ethiopia.	3d highway program.....	Dec. 2, 1963	40	$\frac{3}{4}$	4,000,000
Ivory Coast: Government of Ivory Coast.	Highway equipment.....	Nov. 29, 1963	40	$\frac{3}{4}$	1,700,000
Liberia:					
Government of Liberia...	National medical center...	Dec. 5, 1963	40	$\frac{3}{4}$	5,300,000
Monrovia Power Authority.	MT coffee hydroelectric project.	Sept. 26, 1963	40	$\frac{3}{4}$	24,300,000
Government of Liberia...	Monrovia Junior-Senior High School.	Oct. 23, 1963	40	$\frac{3}{4}$	1,700,000
Mali:					
Government of Mali.....	Teachers training college..	Dec. 4, 1963	40	$\frac{3}{4}$	2,100,000
Do.....	Central Veterinary Laboratory at Bamako.	do.....	40	$\frac{3}{4}$	1,100,000
Niger: Government of Niger..	Development bank.....	Dec. 14, 1963	40	$\frac{3}{4}$	500,000
Nigeria:					
Government of Nigeria...	Ibadan water supply.....	Dec. 4, 1963	40	$\frac{3}{4}$	12,100,000
Do.....	Calabar-IKCM road.....	do.....	40	$\frac{3}{4}$	8,600,000
Somalia: Government of Somalia.	Chisimaic port.....	do.....	40	$\frac{3}{4}$	3,600,000
Sudan:					
Government of Sudan....	Industrial development bank.	July 14, 1963	40	$\frac{3}{4}$	2,000,000
Do.....	Khartoum sewerage.....	Dec. 7, 1963	40	$\frac{3}{4}$	3,800,000
Tanganyika:					
Government of Tanganyika.	DaresSalaam water supply system.	May 20, 1963	40	$\frac{3}{4}$	2,200,000
Do.....	URBAN water supplies..	Dec. 4, 1963	40	$\frac{3}{4}$	1,300,000
Do.....	University college.....	Oct. 9, 1963	40	$\frac{3}{4}$	800,000
Do.....	Teacher training college..	Dec. 4, 1963	40	$\frac{3}{4}$	800,000
Do.....	Commodity development training center.	do.....	40	$\frac{3}{4}$	250,000
Do.....	Agricultural college.....	do.....	40	$\frac{3}{4}$	1,250,000
Do.....	Program loan.....	Dec. 6, 1963	40	$\frac{3}{4}$	1,000,000
Do.....	Electrical equipment.....	do.....	40	$\frac{3}{4}$	300,000
Tunisia:					
Government of Tunisia...	Water and irrigation projects.	Feb. 15, 1963	40	$\frac{3}{4}$	2,400,000
Do.....	Commodity assistance.....	June 20, 1963	40	$\frac{3}{4}$	15,000,000
Do.....	Construction of university.	Oct. 31, 1963	40	$\frac{3}{4}$	1,800,000
Do.....	Agricultural equipment.....	do.....	40	$\frac{3}{4}$	6,500,000
Uganda:					
Government of Uganda...	Development bank.....	Oct. 4, 1963	40	$\frac{3}{4}$	2,000,000
Do.....	Secondary schools.....	Oct. 11, 1963	40	$\frac{3}{4}$	2,400,000
Grand total for all countries.					1,057,925,000

¹ Source: "Status of Loan Agreements" (W-224), Agency for International Development, as of Mar. 31, 1964, Office of the Controller, AID.

<i>Country</i>	<i>Total amount</i>	<i>Country</i>	<i>Total amount</i>
Argentina.....	\$74,400,000	Nepal.....	1,000,000
Bolivia.....	18,900,000	Pakistan.....	169,450,000
Brazil.....	33,900,000	Turkey.....	38,350,000
Chile.....	35,000,000	United Arab Republic (Egypt).....	36,300,000
Colombia.....	23,500,000	Cameroon.....	9,200,000
Costa Rica.....	17,000,000	Ethiopia.....	4,000,000
Dominican Republic.....	2,100,000	Ivory Coast.....	1,700,000
Ecuador.....	6,300,000	Liberia.....	31,300,000
El Salvador.....	15,800,000	Mali.....	3,200,000
Honduras.....	1,050,000	Niger.....	500,000
Jamaica.....	1,500,000	Nigeria.....	20,700,000
Nicaragua.....	1,000,000	Somalia.....	3,600,000
Panama.....	6,000,000	Sudan.....	5,800,000
Peru.....	11,600,000	Tanganyika.....	7,900,000
Uruguay.....	6,000,000	Tunisia.....	25,700,000
Venezuela.....	12,500,000	Uganda.....	4,400,000
Korea.....	9,500,000		
Afghanistan.....	4,625,000	Total.....	1,057,925,000
India.....	414,150,000		

Surely Alaska deserves these same terms.

The cost to the Federal Government of this amendment over the 50 years would be \$13 million, or \$260,000 per year. Not a large sum to the Federal Government, but a very large sum to a stricken State struggling to recover from the greatest disaster ever to strike any State of the Union.

For the reasons stated above, I must therefore reserve my position on this bill when it is called up for consideration by the Senate.

ERNEST GRUENING, *U.S. Senator.*

CHANGES IN EXISTING LAW

In compliance with subsection (4) of rule XXIX of the Standing Rules of the Senate, changes in existing law made by the bill (S. 2881), as reported, are shown as follows (existing law proposed to be omitted is enclosed in black brackets, new matter is printed in *italic*, existing law in which no change is proposed is shown in roman):

THE ALASKA OMNIBUS ACT (73 STAT. 145)

* * * * *

SEC. 21. * * *

* * * * *

(f) *Notwithstanding the limitation contained in subsection (f) of section 120 of title 23, United States Code, the Secretary of Commerce is authorized to make expenditures from the emergency fund under section 125 of such title for the repair or reconstruction of highways on the Federal-aid highway systems of Alaska which have been damaged or destroyed by the 1964 earthquake and subsequent seismic waves, in accordance with the Federal share payable under subsection (a) of section 120 of such title. The increase in expenditures resulting from the difference between the Federal share authorized by this subsection and that authorized by subsection (f) of section 120 of such title shall be reimbursed to the emergency fund by an appropriation from the general fund of the Treasury: Provided, That such increase in expenditures shall not exceed \$15,000,000 in the aggregate.*

* * * * *

NEW FEDERAL LOAN ADJUSTMENTS

SEC. 51. (a) *The Secretary of Agriculture is authorized to compromise or release such portion of a borrower's indebtedness under programs administered by the Farmers Home Administration in Alaska as he finds necessary because of loss resulting from the 1964 earthquake and subsequent seismic waves, and he may refinance outstanding indebtedness of applicants in Alaska for loans under section 502 of the Housing Act of 1949 for the repair, reconstruction, or replacement of dwellings or farm buildings lost, destroyed, or damaged by such causes and securing such outstanding indebtedness. Such loans may also provide for the purchase of building sites, when the original sites cannot be utilized*

(b) *The Secretary of Agriculture is authorized to compromise or release such portion of a borrower's indebtedness under programs administered by the Rural Electrification Administration in Alaska as he finds necessary because of loss, destruction, or damage of property resulting from the 1964 earthquake and subsequent seismic waves.*

URBAN RENEWAL

SEC. 52. *The Housing and Home Finance Administrator is authorized to compromise or release such portion of any note or other obligation held by him with respect to property in Alaska pursuant to title II of the Housing Amendments of 1955 or included within the revolving fund for*

liquidating programs established by the Independent Officers Appropriation Act of 1955, as he finds necessary because of loss, destruction, or damage to facilities securing such obligations by the 1964 earthquake and subsequent seismic waves.

SEC. 53. The Housing and Home Finance Administrator is authorized to enter into contracts for grants not exceeding \$25,000,000 for urban renewal projects in Alaska, including open land projects, under section 111 of the Housing Act of 1949, which he determines will aid the communities in which they are located in reconstruction and redevelopment made necessary by the 1964 earthquake and subsequent seismic waves. Such authorization shall be in addition to and separate from any grant authorization contained in section 103(b) of said Act. The Administrator may increase the capital grant for a project assisted under this section to not more than 90 per centum of net project costs in communities the population of which is six thousand persons or less, as determined by the 1960 census of the United States Department of Commerce, including but not limited to the communities of Seward, Kodiak, Valdez and Seldovia where the Administrator determines that a major portion of the project area has either been rendered unusable as a result of the 1964 earthquake and subsequent seismic waves or is needed in order adequately to provide, in accordance with the urban renewal plan for the project, new locations for persons, businesses, and facilities displaced by the earthquake and subsequent seismic waves.

EXTENSION OF TERM OF HOME DISASTER LOANS

SEC. 54. Loans made pursuant to paragraph (1) of section 7(b) of the Small Business Act (72 Stat. 387), as amended (15 U.S.C. 636(b)), for the purpose of replacing, reconstructing, or repairing dwellings in Alaska and in areas in California and Washington declared to be earthquake disaster areas in Federal Register Document 64-3574, filed April 10, 1964, damaged or destroyed by the 1964 earthquake and subsequent seismic waves, may have a maturity of up to thirty years: Provided, That the provisions of section 7(c) of said Act shall not be applicable to such loans.

MODIFICATION OF CIVIL WORKS PROJECTS

SEC. 55. The Chief of Engineers, under the direction of the Secretary of the Army, is hereby authorized to make such modifications to previously authorized civil works projects in Alaska adversely affected by the 1964 earthquake and subsequent seismic waves as he finds necessary to meet changed conditions and to provide for current and reasonably prospective requirements of the communities they serve, at an estimated cost of \$10,000,000.

PURCHASE OF ALASKA STATE BONDS

SEC. 56. The Housing and Home Finance Administrator is authorized to purchase, in accordance with the provisions of section 202(b), 203 and 204 of title II of the Housing Amendments of 1955, the securities and obligations of, or make loans to, the State of Alaska to finance any part of the programs needed to carry out the reconstruction activities in Alaska related to the 1964 earthquake and subsequent seismic waves, or to complete capital improvements begun prior to the earthquake: Provided, That the aggregate amount of such purchase or loan shall not exceed \$25,000,000.

FEDERAL REGISTER DOCUMENT

The text of Federal Register Document 64-3574, filed April 10, 1964, to which reference is made in the committee amendment to the new section 54 of the omnibus act, is set forth in full below.

[Declaration of Disaster Area 461]

ALASKA, CALIFORNIA, HAWAII, OREGON, AND WASHINGTON— DECLARATION OF DISASTER AREA

Whereas it has been reported that during the month of March 1964, because of the effects of earthquake, tidal waves, fires, and accompanying conditions, damage resulted to residential, business, and other property located in the States of Alaska, California, Hawaii, Oregon, and Washington;

Whereas the Small Business Administration has investigated and has received other reports of investigations of conditions in the areas affected;

Whereas, after reading and evaluating reports of such conditions, I find that the conditions in such areas constitute a catastrophe within the purview of the Small Business Act, as amended.

Now, therefore, as Executive Administrator of the Small Business Administration, I hereby determine that—

1. Applications for disaster loans under the provisions of section 7(b)(1) of the Small Business Act, as amended, may be received and considered by the offices below indicated from persons or firms whose property situated in the aforesaid States, and areas adjacent thereto, suffered damage or other destruction resulting from the aforesaid disasters which occurred on or about March 27, 1964.

OFFICES

Small Business Administration Regional Office, 506 Second Avenue, Seattle, Wash.

Small Business Administration Branch Office, 307 East Penthouse, Anchorage, Alaska.

Small Business Administration Branch Office, 921 Southwest Washington, Portland, Oreg.

Small Business Administration Regional Office, 525 Market Street, San Francisco, Calif.

Small Business Administration Regional Office, 312 West Fifth Street, Los Angeles, Calif.

Small Business Administration Branch Office, 195 South King Street, Honolulu, Hawaii.

2. Temporary disaster offices will be established in the areas as necessary, announcements to be made locally.

3. Applications for disaster loans under the authority of this declaration will not be accepted subsequent to September 30, 1964.

Dated: March 28, 1964.

ROSS D. DAVIS,
Executive Administrator.

[F.R. Doc. 64-3574; Filed, Apr. 10, 1964; 8:46 a.m.]



Calendar No. 1059

88TH CONGRESS
2D SESSION

S. 2881

[Report No. 1117]

IN THE SENATE OF THE UNITED STATES

MAY 28 (legislative day, MARCH 30), 1964

Mr. BARTLETT (for himself, Mr. JACKSON, Mr. MAGNUSON, and Mr. GRUENING) introduced the following bill; which was read twice and referred to the Committee on Interior and Insular Affairs

JUNE 25, 1964

Reported by Mr. MCGOVERN (for Mr. JACKSON), with amendments

[Omit the part struck through and insert the part printed in italic]

A BILL

To amend the Alaska Omnibus Act to provide assistance to the State of Alaska for the reconstruction of areas damaged by the earthquake of March 1964 and subsequent seismic waves, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*
3 That this Act may be cited as the "1964 Amendments to
4 the Alaska Omnibus Act".

5 SEC. 2. The Congress hereby recognizes that the State
6 of Alaska has experienced extensive property loss and dam-
7 age as a result of the earthquake of March 27, 1964, and

1 subsequent seismic waves, and declares the need for special
2 measures designed to aid and accelerate the State's efforts
3 in providing for the reconstruction of the areas in the State
4 devastated by this natural disaster.

5 SEC. 3. Section 21 of the Alaska Omnibus Act (73
6 Stat. 145) is amended by adding a new subsection (f) to
7 read as follows:

8 “(f) Notwithstanding the limitation contained in sub-
9 section (f) of section 120 of title 23, United States Code,
10 the Secretary of Commerce is authorized to make expendi-
11 tures from the emergency fund under section 125 of such
12 title for the repair or reconstruction of highways on the
13 Federal-aid highway systems of Alaska which have been
14 damaged or destroyed by the 1964 earthquake and subse-
15 quent seismic waves, in accordance with the Federal share
16 payable under subsection (a) of section 120 of such title.
17 The increase in expenditures resulting from the difference
18 between the Federal share authorized by this subsection
19 and that authorized by subsection (f) of section 120 of such
20 title shall be reimbursed to the emergency fund by an appro-
21 priation from the general fund of the Treasury: *Provided,*
22 That such increase in expenditures shall not exceed \$15,-
23 000,000 in the aggregate.”

24 SEC. 4. The Alaska Omnibus Act (73 Stat. 141) is

1 amended by adding the following new sections at the end
2 of section 50 thereof:

3 "NEW FEDERAL LOAN ADJUSTMENTS

4 "SEC. 51. (a) The Secretary of Agriculture is author-
5 ized to compromise or release such portion of a borrower's
6 indebtedness under programs administered by the Farmers
7 Home Administration in Alaska as he finds necessary be-
8 cause of loss resulting from the 1964 earthquake and subse-
9 quent seismic waves, and he may refinance outstanding in-
10 debtedness of applicants in Alaska for loans under section
11 502 of the Housing Act of 1949 for the repair, reconstruc-
12 tion, or replacement of dwellings or farm buildings lost, de-
13 stroyed, or damaged by such causes and securing such out-
14 standing indebtedness. Such loans may also provide for the
15 purchase of building sites, when the original sites cannot
16 be utilized.

17 "(b) The Secretary of Agriculture is authorized to
18 compromise or release such portion of a borrower's indebt-
19 edness under programs administered by the Rural Electri-
20 fication Administration in Alaska as he finds necessary be-
21 cause of loss, destruction, or damage of property resulting
22 from the 1964 earthquake and subsequent seismic waves.

23 "SEC. 52. The Housing and Home Finance Admin-
24 istrator is authorized to compromise or release such portion

1 of any note or other obligation held by him with respect to
2 property in Alaska pursuant to title II of the Housing
3 Amendments of 1955 or included within the revolving fund
4 for liquidating programs established by the Independent
5 Offices Appropriation Act of 1955, as he finds necessary be-
6 cause of loss, destruction, or damage to facilities securing
7 such obligations by the 1964 earthquake and subsequent
8 seismic waves.

9 "URBAN RENEWAL

10 "SEC. 53. The Housing and Home Finance Administra-
11 tor is authorized to enter into contracts for grants not ex-
12 ceeding \$25,000,000 for urban renewal projects in Alaska,
13 including open land projects, under section 111 of the
14 Housing Act of 1949, which he determines will aid the
15 communities in which they are located in reconstruction and
16 redevelopment made necessary by the 1964 earthquake and
17 subsequent seismic waves. Such authorization shall be in
18 addition to and separate from any grant authorization con-
19 tained in section 103 (b) of said Act. *The Administrator*
20 *may increase the capital grant for a project assisted under this*
21 *section to not more than 90 per centum of net project costs*
22 *in communities the population of which is six thousand persons*
23 *or less, as determined by the 1960 census of the United States*
24 *Department of Commerce, including but not limited to the*

1 communities of Seward, Kodiak, Valdez and Seldovia, where
2 the Administrator determines that a major portion of the
3 project area has either been rendered unusable as a result of
4 the 1964 earthquake and subsequent seismic waves or is
5 needed in order adequately to provide, in accordance with the
6 urban renewal plan for the project, new locations for persons,
7 businesses, and facilities displaced by the earthquake and
8 subsequent seismic waves.

9 "EXTENSION OF TERM OF HOME DISASTER LOANS

10 "SEC. 54. Loans made pursuant to paragraph (1) of
11 section 7 (b) of the Small Business Act (72 Stat. 387),
12 as amended (15 U.S.C. 636 (b)), for the purpose of replac-
13 ing, reconstructing, or repairing dwellings in Alaska and in
14 areas in California and Washington declared to be earth-
15 quake disaster areas in Federal Register Document 64-3574,
16 filed April 10, 1964, damaged or destroyed by the 1964
17 earthquake and subsequent seismic waves, may have a
18 maturity of up to thirty years: *Provided*, That the provisions
19 of section 7 (c) of said Act shall not be applicable to such
20 loans.

21 "MODIFICATION OF CIVIL WORKS PROJECTS

22 "SEC. 55. The Chief of Engineers, under the direction of
23 the Secretary of the Army, is hereby authorized to make
24 such modifications to previously authorized civil works
25 projects in Alaska adversely affected by the 1964 earth-

1 quake and subsequent seismic waves as he finds necessary to
2 meet changed conditions and to provide for current and rea-
3 sonably prospective requirements of the communities they
4 serve, at an estimated cost of \$10,000,000.

5 "PURCHASE OF ALASKA STATE BONDS

6 "SEC. 56. The Housing and Home Finance Adminis-
7 trator is authorized to purchase, in accordance with the pro-
8 visions of sections 202 (b), 203 and 204 of title II of the
9 Housing Amendments of 1955, the securities and obligations
10 of, or make loans to, the State of Alaska to finance any part
11 of the programs needed to carry out the reconstruction activi-
12 ties in Alaska related to the 1964 earthquake and subsequent
13 seismic ~~waves~~: *waves, or to complete capital improvements*
14 *begun prior to the earthquake: Provided, That the aggregate*
15 *amount of such purchase or loan shall not exceed \$25,-*
16 *000,000."*

17 APPROPRIATION AUTHORIZATION

18 SEC. 5. There is authorized to be appropriated such sums
19 as may be necessary to carry out the provisions of this Act,
20 which shall be available for obligation until June 30, 1967.
21 There is also authorized to be appropriated such sums as may
22 be necessary for the expenses of such advisory commissions
23 or committees as the President may establish in connection
24 with the reconstruction and development planning of the
25 State of Alaska.

TERMINATION DATE

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SEC. 6. The authority contained in this Act shall expire on June 30, 1967, except that such expiration shall not affect the payment of expenditures for any obligation or commitment entered into under this Act prior to June 30, 1967.

88TH CONGRESS
2d Session

S. 2881

[Report No. 1117]

A BILL

To amend the Alaska Omnibus Act to provide assistance to the State of Alaska for the reconstruction of areas damaged by the earthquake of March 1964 and subsequent seismic waves, and for other purposes.

By Mr. BARTLETT, Mr. JACKSON, Mr. MAGNUSON, and Mr. GRUENING

MAY 28 (legislative day, MARCH 30), 1964

Read twice and referred to the Committee on Interior and Insular Affairs

JUNE 25, 1964

Reported with amendments

Digest of CONGRESSIONAL PROCEEDINGS

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF
BUDGET AND FINANCE

(For information only;
should not be quoted
or cited)

Issued June 30, 1964
For actions of June 29, 1964
88th-2nd; No. 130

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HIGHLIGHTS: Senate committee reported food stamp bill. Both Houses agreed to conference report on Interior appropriation bill. Senate debated Alaska relief bill. Sen. Pearson urged increased domestic sugar quotas. Reps. Widnall and Cramer criticized accelerated public works program under ARA. Rep. Derwinski called International Coffee Agreement a "new form of foreign aid." House committee reported Alaska relief bill. House Rules Committee cleared foreign aid appropriation bill. Conferencees agreed to file report on water resources research program.

SENATE

1. INTERIOR AND RELATED AGENCIES APPROPRIATION BILL, 1965. Both Houses agreed to the conference report on this bill, H. R. 10433, and acted on amendments in disagreement (pp. 14754-6, 14827-33). This bill will now be sent to the President. As agreed to the bill appropriates \$2,700,000 for the Bureau of Outdoor Recreation as proposed by the House instead of \$2,322,000 as proposed by the Senate. See Digest 129 for a summary of Forest Service items.
2. FOOD STAMPS. The Agriculture and Forestry Committee reported with amendments H. R. 10222, the food stamp bill (S. Rept. 1124). p. 14790
3. ALASKA RELIEF. Began consideration of S. 2881, to provide authorization for Federal agencies to aid Alaska in recovering from the effects of the recent earthquake and seismic waves (pp. 14833-4, 14849-54). Sen. Gruening submitted an amendment intended to be proposed to this bill (pp. 14849-54).

Sen. Bartlett commended the Office of Emergency Planning for its disaster relief work in Alaska. p. 14797

4. CIVIL DEFENSE. By a vote of 74 to 4, passed without amendment H. R. 10314, to amend the Federal Civil Defense Act so as to extend until June 30, 1968, the authority to provide financial assistance to States for necessary and essential State and local civil defense personnel and administrative expenses. This bill will now be sent to the President. pp. 14812, 14815-25
5. RECLAMATION. The Interior and Insular Affairs Committee reported with amendments S. 1123, to provide for construction of the Lower Teton division of the Teton Basin reclamation project, Idaho (S. Rept. 1127). p. 14790
Passed as reported S. 1186, to expand existing facilities of the Cooked River reclamation project, Oregon. pp. 14798-9
Passed as reported S. 388, to authorize construction of the midstate reclamation project, Nebr. pp. 14800-4
6. LANDS. The Government Operations Committee reported with amendments S. 1509, to authorize reimbursement to owners and tenants of certain lands or interests therein acquired by the U. S. for certain moving expenses, losses, and damages (S. Rept. 1126). pp. 14790-1
7. SUGAR. Sen. Pearson contended that we place too much reliance on foreign suppliers for our sugar needs and urged an increase in quotas for domestic sugar-beet producers. pp. 14795-7
8. WATER RESEARCH. Sen. Jordan, Ida., replaced Sen. Allott as a conferee on S. 2, the water resources research bill. p. 14815
9. PERSONNEL; PAY. Sen. Williams, Del., submitted an amendment intended to be proposed to H. R. 11049, the Federal pay bill. p. 14791
10. FOREIGN AID. Sen. Morse stated that he was opposed to the foreign aid authorization bill in its present form and would seek to reduce the authorization for the program. pp. 14797-8
11. ELECTRIFICATION. Sens. Mansfield, Morse, and Kuchel discussed the merits of the proposed Calif. interstate for the distribution of electric power in the West. pp. 14791-2
Sen. Church criticized the refusal of a House committee to appropriate funds for a transmission line to carry surplus public power to and from southern Idaho. pp. 14862-3
12. FOREIGN TRADE. Both Houses received from Commerce the annual report of the Foreign-Trade Zones Board. pp. 14787, 14790
13. LEGISLATIVE PROGRAM. Sen. Mansfield stated that the food stamp and Alaska relief bills will be considered Tues., the pay bill on Wed., and the road authorization bill on Thurs. if the latter is reported. pp. 14793-4

HOUSE

14. TAXATION. Received the conference report on H. R. 11376, to provide a one-year extension of certain excise-tax rates (H. Rept. 1523). pp. 14787, 14752-3
Passed as reported H. R. 4649, to authorize the use of certain volatile fruit-flavor concentrates in the cellar treatment of wine (p. 14760); H. R. 7267, as reported, to authorize partial refunds of gasoline taxes directly to

House June 29, 1964

to aerial applicators with respect to gasoline used by them in providing services to farmers in farming operations (p. 14762-3); and H. R. 7307, as reported, to amend the Internal Revenue Codes with respect to the apportionment of the depletion allowance between parties to contracts for the extraction of minerals or the severance of timber (p. 14764).

15. ALASKA RELIEF. The Interior and Insular Affairs Committee reported with amendment H. R. 11438, to provide assistance to Alaska for the reconstruction of areas damaged by the recent earthquake and seismic waves (H. Rept. 1521). p. 14787
16. APPROPRIATIONS. The Rules Committee reported a resolution waiving points of order on H. R. 11812, the foreign aid appropriation bill. p. 14787
17. WATER RESEARCH. The "Daily Digest" states that conferees agreed to file a report on S. 2, to establish water resources research centers at land-grant colleges and State universities. p. D525
18. WATERSHEDS. Received from the Budget Bureau plans for works of improvement on the following watersheds: p. 14787
Marshyhope Creek, Del. and Md., Mill Creek, Ga., Turtle River, Ga., and Wellington-Napoleon, Mo.; to Agriculture Committee.
Hiawassee River, Ga., Muddy Creek, Kans., Presque Isle Stream, Me., and West Fork Duck Creek, O.; to Public Works Committee.
19. TRAVEL; PERSONNEL. Received from GAO a report "on a review relating to disclosing that ineffective administration and control of travel advances and purchase of transportation for employees for travel expenses had been extended during periods in which the employees either did not travel or performed only limited travel." p. 14787
20. MEAT IMPORTS. Received a La. Legislature resolution urging the President and the Congress "to take immediate action to stop the importation of foreign meat into this country." p. 14788
21. MILITARY CONSTRUCTION. Disagreed to Senate amendment to H. R. 10300, to authorize certain construction at military installations and appointed conferees. Senate conferees have already been appointed. p. 14753
22. RESEARCH. Disagreed to Senate amendments to H. R. 4364, to provide for the free entry of one mass spectrometer for Oregon State University and one mass spectrometer for Wayne State University and appointed conferees. Senate conferees have not yet been appointed. p. 14756-7
23. FORESTRY. Passed as reported H. R. 9634, to authorize the Secretary of Defense to lend certain equipment and provide certain services to the Girl Scouts of America for the 1965 Senior Girl Scout roundup. p. 14758
24. FOREIGN AID. Rep. Mahon expressed pleasure that the foreign assistance estimated funds for fiscal 1965 are "the lowest in 9 years." p. 14768
Rep. Passman inserted fact sheets and tabulations covering the foreign aid program for the past 9 years. pp. 14768-71
25. AREA REDEVELOPMENT. Received a letter from the Comptroller General, transmitting a report on an examination of the administration of the accelerated public works program by the Area Redevelopment Administration, Department of Commerce, and other Federal agencies, "revealing that grants of over \$21 mil-

lion had been made for 85 projects in areas which were no longer burdened by conditions of substantial unemployment at the time the grants were consummated to Government Operations Committee; p. 14787

Reps. Widnall and Cramer discussed the GAO report and stated that "there is no indication whatsoever that the administration officials are willing to concede that the intent of Congress is being violated, much less put any simple reforms into practice." pp. 14776-80, 14784

Rep. Talcott criticized ARA programs and stated that Congress should investigate its purposes and real accomplishments. p. 14780

26. COFFEE. Rep. Derwinski criticized the International Coffee Agreement as being "foreign aid without congressional approval." pp. 14781-3

ITEMS IN APPENDIX

27. SALT. Extension of remarks of Rep. Dole commending the Salt Institute for its work in helping to develop new ways salt can be helpful to industry, in agriculture and in a broadening range of facets of everyday living. pp. A3527-8
28. COTTON. Extension of remarks of Rep. Beermann stating that "A great deal of the opposition to the cotton-wheat bill arose because some believed it would socialize the cotton industry," commenting on the resignation of Dr. Cochrane and inserting an article on the closing of the New Orleans Cotton Exchange. p. A3546
29. WILDERNESS. Rep. Reuss inserted an editorial endorsing the wilderness bill. pp. A3550-1

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COMMITTEE HEARINGS:

June 30: Proposed Public Land Review Commission, S. Interior (Baker to testify).
Forest land transfers in Lassen National Forest, Calif., and in Cocke Co., Tenn., H. Agriculture (Grover, FS, to testify).
Agricultural appropriation bill, S. Appropriations.
Poverty program, S. Labor and Public Welfare (exec).
Civil rights bill, H. Rules.

July 1: Reimbursement for overtime for inspection services, H. Agriculture (Johnston, ARS, to testify).
Release of FHA rights in land in Pender Co., N. C., H. Agriculture (Allman, FHA, and Broderson, OGC, to testify).

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AMENDING THE ALASKA OMNIBUS ACT TO PROVIDE ASSISTANCE
TO THE STATE OF ALASKA FOR THE RECONSTRUCTION OF AREAS
DAMAGED BY THE EARTHQUAKE OF MARCH 1964 AND SUB-
SEQUENT SEISMIC WAVES

JUNE 29, 1964.—Committed to the Committee of the Whole House on the State
of the Union and ordered to be printed

Mr. O'BRIEN of New York, from the Committee on Interior and Insular
Affairs, submitted the following

R E P O R T

[To accompany H.R. 11438]

The Committee on Interior and Insular Affairs, to whom was re-
ferred the bill (H.R. 11438) to amend the Alaska Omnibus Act to
provide assistance to the State of Alaska for the reconstruction of
areas damaged by the earthquake of March 1964 and subsequent
seismic waves, and for other purposes, having considered the same,
report favorably thereon with amendments and recommend that the
bill do pass.

The amendments are as follows:

Page 4, after line 17, add the following new paragraph:

The Administrator may increase the capital grant for a
project assisted under this section to not more than 90 per
centum of net project cost where he determines that a
major portion of the project area has either been rendered
unusable as a result of the 1964 earthquake and subsequent
seismic waves or is needed in order adequately to provide, in
accordance with the urban renewal plan for the project, new
locations for persons, businesses, and facilities displaced
by the earthquake.

Page 5, line 21, strike out "waves:" and insert "waves or to com-
plete capital improvements begun prior to the earthquake:".

Page 5, line 22, strike out "\$25,000,000." and insert:

\$25,000,000: *Provided further*, That the terms of repayment
of such securities and obligations or loans shall be as follows:
Repayment of the principal sum in fifty years from the date

of the borrowing payable in equal annual payments beginning ten years after the money is lent at an annual interest rate not to exceed three per centum on the unpaid balance.

Page 5, after line 22, add the following new language:

PURCHASE OF HOME MORTGAGES

SEC. 57. The Federal National Mortgage Association is authorized to repurchase at a cost not to exceed par any home mortgage insured by the Federal Housing Administration which is secured by property in Alaska which was lost, destroyed, or severely damaged as a result of the 1964 earthquake or subsequent seismic waves. Any such purchase shall be made from funds available to the Association for carrying out its special assistance functions pursuant to section 305 of the National Housing Act; except that the aggregate amount of such purchases shall not exceed \$10,000,000.

Page 6, line 9, add a new sentence to read:

The total amount authorized to be appropriated pursuant to this section shall not exceed \$50,150,000.

Page 6, after line 14, add the following new language:

REPORTING

SEC. 7. The President shall report semiannually during the term of this Act to the President of the Senate and the Speaker of the House on the actions taken under this Act by the various Federal agencies. The first such report shall be submitted not later than February 1, 1965, and shall cover the period ending December 31, 1964.

PURPOSE

H.R. 11438, as amended, will amend the Alaska Omnibus Act of June 25, 1959 (73 Stat. 141), to provide assistance in the State of Alaska for the reconstruction of areas damaged by the earthquake of March 27, 1964, and subsequent seismic waves. The bill will accomplish its purpose by authorizing aid in highway repair and reconstruction, the restoration of certain public facilities, urban renewal, harbor reconstruction, and housing and financial programs.

H.R. 11438 was introduced by Representative Rivers of Alaska following receipt of an executive communication requesting that this be done. The measure was drafted by the Federal Reconstruction and Development Planning Commission for Alaska which is composed, under the chairmanship of Senator Clinton Anderson, of the Secretaries of Defense, Interior, Agriculture, Labor, Commerce, and Health, Education, and Welfare, the Administrators of the Federal Aviation Agency, the Housing and Home Finance Agency, and the Small Business Administration, the Chairman of the Federal Power Commission, and the Director of the Office of Emergency Planning.

NEED

The earthquake and seismic waves which struck Alaska on March 27, 1964, killed 115 persons and severely affected a portion of the State which is inhabited by half of its population. It is estimated that approximately \$300 million worth of damage was inflicted on public highways, utilities, railway facilities, and other property. This figure includes losses to Federal facilities, such as the Alaska Railroad, amounting to about \$71 million; State and local property losses of about \$148 million; and, in the private sector, real property losses of about \$77 million. It does not include private personal property losses.

The Congress has already authorized the appropriation of \$23.5 million in transitional grants to the State to make up for loss of tax revenues and enable it to carry on its programs and services during the reconstruction period. Regular Federal programs are also providing certain other types of aid to the State and its citizens. The Office of Emergency Planning, for instance, is providing assistance in clearing rubble, shelter, and emergency repair and restoration of essential services. The Small Business Administration is making loans at 3-percent interest within the disaster area to individual homeowners and businessmen. Commercial fishermen are being aided by the Department of the Interior in the repair of their vessels. The Housing and Home Finance Agency and the Veterans' Administration are adjusting outstanding loans made by them respectively under FHA insurance to homeowners whose homes were lost or destroyed.

Other types of assistance, however, are also needed and it is these that enactment of H.R. 11438, as amended, will make possible. They are as follows:

(1) *Increase in the Federal share of expenditures for repair or reconstruction of existing highways in the disaster area.*—The Federal Reconstruction and Development Planning Commission estimates that the disaster damages to Alaska roads may amount to \$65 million. The Federal Government will assume full responsibility for restoration costs of the national forest highways in the amount of \$29 million. Under present law, the \$36 million required for repairs to nonforest Federal aid highways would be shared on a 50-50 basis by the State and Federal Governments. If, however, this were new construction, the Federal share would be 94.9 percent. This results from the "sliding scale" provision of the Federal-aid highway law which takes account of and gives credit for the unwithdrawn public lands in the various States. In Alaska such lands amount to about 90 percent of the total area of the State.

H.R. 11438 will increase the Federal share of reconstruction and repair costs from 50 to 94.9 percent by making the "sliding scale" provision applicable to this type of work. It limits the increase in the Federal share to \$15 million in the aggregate and provides that the amount of the increase shall be reimbursed to the highway emergency fund by an appropriation from the general fund of the Treasury. The initial 50 percent will continue to be financed as presently provided by law.

(2) *Adjustment of debts owing the Farmers Home Administration and refinancing of outstanding indebtedness for restoration of dwellings and farm buildings which are security for FHA-insured loans.*—The

Farmers Home Administration has loans outstanding to 200 borrowers in Alaska, totaling approximately \$4 million. These debtors could not obtain credit from other sources at the time they received their loans. It can be expected, therefore, that many of those who suffered damage or loss to their property and partial or total loss of income for an indefinite period will require an adjustment in their debts if they are to recover from their losses. Special assistance of this type is essential if they are to recover and continue as members of the community.

(3) *Adjustment of debts owing the Rural Electrification Administration.*—An appraisal is now underway of the damages sustained by the nine REA cooperatives and three other borrowers from the REA operating in Alaska and of their ability to repay the outstanding balances of their loans in the light of such additional borrowing as will be required to repair, restore, and reestablish their distribution systems. It is known that at least three of the cooperatives sustained substantial damage from the earthquake and subsequent seismic disturbances. Adjustment of existing debts is limited to such damage.

(4) *Compromise or release of obligations under the HHFA public facility loan program and revolving fund for liquidating programs.*—Under the revolving fund for liquidating programs, the Housing Administrator holds obligations received in four programs which are no longer operative: The Alaska housing loan program, the public agency loan program (RFC), the prefabricated housing loan program, and the war public works program under the Lanham Act. Except for the war public works program, the Administrator now has authority to revise these obligations only through the rescheduling of required loan payments. H.R. 11438 is needed to place these programs, insofar as they apply to Alaska, and the public facility loan program on the same general footing as other Federal loan programs under which borrower's indebtedness may be adjusted to meet disaster conditions.

(5) *Urban renewal programs.*—Paralleling the assistance provided for rural areas in other sections of the bill, the Housing and Home Finance Administrator will be authorized to aid earthquake-stricken urban areas in Alaska to the extent of \$25 million under matching funds formulas. As amended, the bill permits the Administrator of HHFA to increase the capital grant to 90 percent of net project costs for urban renewal in major earthquake disaster areas rather than the usual 75 percent. This amendment was deemed necessary because of the extent to which the tax base of the stricken communities was destroyed, making it difficult if not impossible for them to make the regular 25-percent contribution, even with State aid. In addition, the bill permits urban renewal assistance to be given for open-land relocation projects. Particularly serious is the situation at the small town of Valdez which, in view of the underlying geologic structure, will probably have to be relocated on open land 2 miles distant from its present site. Existing urban renewal law does not authorize grants for such projects. Enactment of H.R. 11438 is therefore necessary if the assistance otherwise available to it under the urban renewal law is to be effective.

(6) *Small Business Administration loans.*—The Small Business Administration now has authority to make 20-year loans to homeowners, among others, in disaster situations. It is also authorized, at the end of the 20-year period, to allow another 10 years if necessary

for orderly liquidation of outstanding indebtedness. H.R. 11438 will authorize, in this instance, loans for a term of not more than 30 years for repair or reconstruction of damaged or destroyed homes without any additional amortization period.

(7) *Civil works projects.*—Authority is provided for the Corps of Engineers to modify previously authorized civil works projects in Alaska to meet conditions created by the earthquake. Expenditures of up to \$10 million are authorized for this purpose. Examples of the need for this provision of the bill are found at Homer, Valdez, and Seward where the authorized harbor facilities were wiped out and changed physical conditions make reconstruction at the original sites impossible. The importance to the fishing industry makes early restoration of small boat harbors and other installations very important.

(8) *Purchase of State bonds.*—The Housing and Home Finance Administrator will be authorized to purchase, in accordance with applicable provisions of the existing public facility loan program and from funds available in the public facility revolving loan fund, up to \$25 million of State bonds issued to finance the State's share of reconstruction projects related to the 1964 earthquake and seismic waves or to complete capital improvements begun prior to the disaster. Under an amendment to the bill, repayment will be required over a 40-year period beginning 10 years after the money is lent and the interest rate will be 3 percent on the unpaid balance.

Shortly after the earthquake, the Alaska Legislature authorized a \$50 million bond issue to aid in financing the State's reconstruction efforts. Indications are that Alaska State bonds could now be sold on the open market only at an interest rate of between $4\frac{1}{4}$ and $4\frac{1}{2}$ percent with maturity in not more than 25 years whereas, immediately before the earthquake, State of Alaska bonds were accepted at 3.56 percent. The committee rejected a proposed amendment which would have fixed interest at three-quarters of 1 percent, the rate at which certain foreign aid loans are made by the United States.

(9) *Purchase of home mortgages.*—The Federal National Mortgage Association will be authorized, under an amendment to the bill, to repurchase home mortgages insured by the Federal Housing Administration and secured by property in Alaska that suffered earthquake damage. Such repurchases may be made at not more than par value. Funds in a maximum amount of \$10 million for the purpose may be made available under section 305 of the National Housing Act.

Other provisions of the bill provide that all authority granted under the bill shall terminate not later than June 30, 1967; that expenditures may, however, be made after this date to carry out commitments therefore entered into; and that the President shall report semiannually to the Senate and the House of Representatives on actions taken under the act. The first such report will be due not later than February 1, 1965.

AUTHORIZED APPROPRIATIONS

An amendment to section 5 of the bill limits the amount authorized to be appropriated to carry out its provisions to \$50,150,000.

EXECUTIVE RECOMMENDATIONS

The executive communication from the President requesting the enactment of this legislation is set forth below in full.

THE WHITE HOUSE
Washington, D.C., May 27, 1964.

Hon. JOHN W. McCORMACK,
Speaker of the House of Representatives,
Washington, D.C.

DEAR MR. SPEAKER: The State of Alaska and the people of Alaska, aided by voluntary agencies and the Federal Government, have begun to rebuild from the ruins of the devastating earthquake of March 27. But new legislative authority is urgently needed to provide the additional special assistance essential to their reconstruction efforts. I am today, therefore, sending to the Congress draft legislation to provide this authority.

Immediately following the earthquake, we moved quickly to assist Alaska and its people. Under existing programs and new authorities proposed in this draft bill, the Federal Government is estimated to spend over \$275 million in Alaska in the course of the earthquake reconstruction program.

Major items in this estimate include \$80 million of grants under the existing authority of the Office of Emergency Planning for restoring public facilities and debris clearance; over \$75 million for restoration of Federal facilities; over \$60 million in grants for highway repair; and up to \$45 million in grants for urban renewal projects. Also, legislation has already been approved by Congress—which I will sign into law today—authorizing \$23.5 million in grants to the State to make up losses of State and local tax revenues and to insure continuity of government.

In addition, under existing law, various outstanding Federal loans are being adjusted. Federal tax refunds and reductions will be based on casualty losses, and various Federal agencies are extending credit on liberal terms. The Small Business Administration, for example, will make disaster loans on very favorable terms to assist homeowners and businesses in reconstruction.

The legislation which I am proposing—based on recommendations of the Federal Reconstruction and Development Planning Commission for Alaska—will provide greater flexibility in Federal programs to cope with the extraordinary circumstances arising out of the earthquake. Included among the programs involved are highways, urban renewal, housing, and harbor improvements.

The enclosed letter from the Chairman of the Commission, Senator Clinton P. Anderson, describes the principal features of the draft bill.

Concern for our fellow citizens alone compels prompt action on this proposal. But practical considerations are also most important. The construction season in Alaska is about to begin and is of short duration. The sooner Alaska can complete its reconstruction efforts, the sooner it can begin again to devote its efforts toward the further development of the State's resources.

Accordingly, I urge the Congress to take prompt action on the proposed legislation to facilitate Alaskan planning and reconstruction efforts during this summer's construction season.

Sincerely,

LYNDON B. JOHNSON.

FEDERAL RECONSTRUCTION AND DEVELOPMENT

PLANNING COMMISSION FOR ALASKA,
Washington, D.C., May 23, 1964.

The PRESIDENT,
The White House,
Washington, D.C.

DEAR MR. PRESIDENT: I am enclosing a draft of a bill to provide assistance to the State of Alaska in providing for the reconstruction of areas damaged by the earthquake of March 1964, and subsequent seismic waves, and for other purposes, and a section-by-section analysis.

This legislation is an outgrowth of the considerations of this Commission since the Alaskan earthquake of March 1964. Its purpose is to provide needed special assistance to the State and its people in their reconstruction efforts. The Commission has found that special Federal assistance in the form of legislation is needed now for highways, urban renewal, harbors, housing and State finances. Areas requiring additional legislation may become apparent at a later time and may be proposed then.

The draft legislation amends the Alaska Omnibus Act and is limited in scope to Alaska and the disaster area. It recognizes (1) that the recent disaster caused extensive property loss and damage in the private and public sector; and (2) that this damage has severely restricted and drained the State's resources.

Highways

To provide the special assistance needed to repair and reconstruct the nonforest Federal-aid highways damaged by the earthquake, the draft legislation would authorize an increase in the Federal share of the cost of reconstruction from the present 50 percent to 94.9 percent as provided in the bill, and an appropriation not to exceed \$15 million to cover the increase. The higher percentage is now applicable to new Federal-aid highway construction in Alaska.

Current estimates indicate that up to \$36 million will be required to reconstruct these highways in the disaster area. Under existing law, the State's share of this estimated cost would be one-half this amount. Even with the enactment of pending legislation making transitional grants available to the State, Alaska could not pay its share of highway reconstruction and carry out its other disaster-oriented programs.

Debt adjustments

A preliminary private real property survey indicates that the private loss, as a result of the recent earthquake and subsequent seismic waves, is about \$77 million. The Department of Agriculture, through the Farmers Home Administration and the Rural Electrification Administration, would be authorized by this draft bill to adjust the indebtedness of some of their borrowers to enable them to overcome losses suffered from the earthquake. It would also authorize the refinancing of the outstanding indebtedness of these and other farmers and rural residents similarly damaged. This draft legislation would provide similar debt adjustment authority to the Housing and Home Finance Administrator. These provisions place the programs of the Department of Agriculture and the HHFA on the same general footing as other Federal loan programs which now are authorized to adjust their borrower's indebtedness under disaster conditions.

Urban renewal

A number of communities in the disaster area of Alaska are considering or have made applications for urban renewal projects. These are: Anchorage, Homer, Kodiak, Seldovia, Seward, and Valdez. Currently available, but very preliminary, estimates indicate that the total cost of these projects may be as high as \$59 million. The Federal share of this cost would be about \$45 million. This share is made up of 75 percent of the project costs plus 100 percent of relocation costs, which is the usual formula for cities of this size.

The Commission gave very serious consideration to the question of whether the Federal grant share should be increased above 75 percent for projects directly related to the earthquake. While recognizing the straitened circumstances of the communities themselves, I believe this increase was not justified on the basis of the available estimates of costs and resources. The preliminary cost figures, admittedly highly tentative, raise substantial questions as to whether the magnitude of the proposed projects is necessary to effect recovery from the effects of the earthquake. At the same time, it seems reasonable to expect the State to provide substantial assistance to the communities in meeting their local share. The draft bill authorizes the purchase by the Federal Government of \$25 million of State bonds for this purpose among others.

The bill would authorize the Housing and Home Finance Administrator to enter into contracts for urban renewal projects in Alaska up to a maximum of \$25 million. The recent disaster makes it essential that this additional contract authority be requested for use in Alaska at this time. To the extent that additional grant funds may be needed to carry out these projects, they would be made available from regular urban renewal grant authorizations.

Loans

As indicated above, a number of homes in Alaska were damaged or destroyed or in some cases even lost. The Small Business Administration now has authority to make disaster loans to the homeowners with a maximum maturity of 20 years. Since these loans may include some portion of the existing indebtedness on damaged or destroyed homes, as well as the cost of rebuilding these homes, the draft bill would authorize the making of such loans for a maximum period of 30 years.

Harbors

The draft legislation would authorize the Corps of Engineers to make modifications in previously authorized civil works projects in Alaska, where it is found that such modifications are necessary to overcome the adverse effects of the earthquake. These modifications would include such reasonable expansions in the harbors that may be economically feasible to meet the prospective needs of the communities. The estimated cost is \$10 million.

State finances

The State legislature has authorized a \$50 million bond issue to help finance capital projects related to reconstruction from the earthquake. It is expected that for the next 2 years the State will be faced with high capital investment requirements which will add to the State's financial burden.

While the Commission does not expect that all of the \$50 million would be needed now, it appears that one-half or more may be required to supplement the State's revenues and the extended transition grants in order to meet the Federal assistance for major reconstruction and rehabilitation projects over the next 2 years. The draft bill provides Federal assistance in marketing up to \$25 million of these State of Alaska bonds. The Housing and Home Finance Administrator would purchase these bonds with funds now available in the public facility loan revolving fund. The bonds would be sold in the private market, or refunded in the private market by the State, as soon as its regular credit is restored. The State would receive from HHFA the more favorable interest rate for public bodies in redevelopment areas (currently 3½ percent), and principal repayment might be deferred for a few years from the date of the loan or purchase of the bonds.

The agencies represented by the Commission have devoted considerable time and effort in developing this draft bill. There is an urgent need for this legislation. The short construction season requires the initiation of construction as soon as possible in order to permit Alaska to prepare for next winter. It is the belief of the Commission that the bill proposes fiscally responsible means of providing special assistance to the State's reconstruction efforts which must proceed as rapidly as possible. The proposed bill has been reviewed by the interested departments and agencies and the Bureau of the Budget and has received their concurrence. Pursuant to the meetings of May 8 and 22, 1964, of the Commission, it is recommended that this legislation be submitted to the Congress for early action.

Respectfully yours,

CLINTON P. ANDERSON, *Chairman.*

A BILL To amend the Alaska Omnibus Act to provide assistance to the State of Alaska for the reconstruction of areas damaged by the earthquake of March 1964 and subsequent seismic waves, and for other purposes

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "1964 Amendments to the Alaska Omnibus Act".

SEC. 2. The Congress hereby recognizes that the State of Alaska has experienced extensive property loss and damage as a result of the earthquake of March 27, 1964, and subsequent seismic waves, and declares the need for special measures designed to aid and accelerate the State's efforts in providing for the reconstruction of the areas in the State devastated by this natural disaster.

SEC. 3. Section 21 of the Alaska Omnibus Act (73 Stat. 145) is amended by adding a new subsection (f) to read as follows:

"(f) Notwithstanding the limitation contained in subsection (f) of section 120 of title 23, United States Code, the Secretary of Commerce is authorized to make expenditures from the emergency fund under section 125 of such title for the repair or reconstruction of highways on the Federal-aid highway systems of Alaska which have been damaged or destroyed by the 1964 earthquake and sub-

sequent seismic waves, in accordance with the Federal share payable under subsection (a) of section 120 of such title. The increase in expenditures resulting from the difference between the Federal share authorized by this subsection and that authorized by subsection (f) of section 120 of such title shall be reimbursed to the emergency fund by an appropriation from the general fund of the Treasury: *Provided*, That such increase in expenditures shall not exceed \$15 million in the aggregate."

SEC. 4. The Alaska Omnibus Act (73 Stat. 141) is amended by adding the following new sections at the end of section 50 thereof:

"NEW FEDERAL LOAN ADJUSTMENTS

"SEC. 51. (a) The Secretary of Agriculture is authorized to compromise or release such portion of a borrower's indebtedness under programs administered by the Farmers Home Administration in Alaska as he finds necessary because of loss resulting from the 1964 earthquake and subsequent seismic waves, and he may refinance outstanding indebtedness of applicants in Alaska for loans under section 502 of the Housing Act of 1949 for the repair, reconstruction, or replacement of dwellings or farm buildings lost, destroyed, or damaged by such causes and securing such outstanding indebtedness. Such loans may also provide for the purchase of building sites, when the original sites cannot be utilized.

"(b) The Secretary of Agriculture is authorized to compromise or release such portion of a borrower's indebtedness under programs administered by the Rural Electrification Administration in Alaska as he finds necessary because of loss, destruction, or damage of property resulting from the 1964 earthquake and subsequent seismic waves.

"SEC. 52. The Housing and Home Finance Administrator is authorized to compromise or release such portion of any note or other obligation held by him with respect to property in Alaska pursuant to title II of the Housing Amendments of 1955 or included within the Revolving Fund for Liquidating Programs established by the Independent Offices Appropriation Act of 1955, as he finds necessary because of loss, destruction, or damage to facilities securing such obligations by the 1964 earthquake and subsequent seismic waves.

"URBAN RENEWAL

"SEC. 53. The Housing and Home Finance Administrator is authorized to enter into contracts for grants not exceeding \$25 million for urban renewal projects in Alaska, including open land projects, under section 111 of the Housing Act of 1949, which he determines will aid the communities in which they are located in reconstruction and redevelopment made necessary by the 1964 earthquake and subsequent seismic waves. Such authorization shall be in addition to and separate from any grant authorization contained in section 103(b) of said Act.

“EXTENSION OF TERM OF HOME DISASTER LOANS

“SEC. 54. Loans made pursuant to paragraph (1) of section 7(b) of the Small Business Act (72 Stat. 387), as amended (15 U.S.C., sec. 636(b)) for the purpose of replacing, reconstructing, or repairing dwellings in Alaska damaged or destroyed by the 1964 earthquake and subsequent seismic waves, may have a maturity of up to thirty years: *Provided*, That the provisions of section 7(c) of said Act shall not be applicable to such loans.

“MODIFICATION OF CIVIL WORKS PROJECTS

“SEC. 55. The Chief of Engineers, under the direction of the Secretary of the Army, is hereby authorized to make such modifications to previously authorized civil works projects in Alaska adversely affected by the 1964 earthquake and subsequent seismic waves as he finds necessary to meet changed conditions and to provide for current and reasonably prospective requirements of the communities they serve, at an estimated cost of \$10 million.

“PURCHASE OF ALASKA STATE BONDS

“SEC. 56. The Housing and Home Finance Administrator is authorized to purchase, in accordance with the provisions of sections 202(b), 203, and 204 of Title II of the Housing Amendments of 1955, the securities and obligations of, or make loans to, the State of Alaska to finance any part of the programs needed to carry out the reconstruction activities in Alaska related to the 1964 earthquake and subsequent seismic waves: *Provided*, That the aggregate amount of such purchase or loan shall not exceed \$25 million.”

APPROPRIATION AUTHORIZATION

SEC. 5. There is authorized to be appropriated such sums as may be necessary to carry out the provisions of this Act, which shall be available for obligation until June 30, 1967. There is also authorized to be appropriated such sums as may be necessary for the expenses of such advisory commissions or committees as the President may establish in connection with the reconstruction and development planning of the State of Alaska.

TERMINATION DATE

SEC. 6. The authority contained in this Act shall expire on June 30, 1967, except that such expiration shall not affect the payment of expenditures for any obligation or commitment entered into under this Act prior to June 30, 1967.

SECTION-BY-SECTION ANALYSIS OF THE 1964 AMENDMENTS TO
THE ALASKA OMNIBUS ACT*Section 1*

The short title of the proposed bill is the "1964 Amendments to the Alaska Omnibus Act."

Section 2

This section recognizes the national concern over the 1964 Alaskan earthquake and the resultant damage. It also recognizes that there is an urgent need to provide special assistance to the State in carrying out its own efforts toward reconstruction and rehabilitation.

Section 3

This section amends section 21 of the Alaska Omnibus Act by adding at the end thereof a new subsection (f).

It is currently estimated that the repair or reconstruction of highways in Alaska damaged by the recent earthquake may cost up to \$65 million. These highways are essential to the economic well-being of the State.

Some of the highways affected are forest highways. The cost of repair and reconstruction of these highways may run to \$29 million and can be accomplished under existing authority with 100 percent Federal funds.

It is estimated that up to \$36 million will be required to repair or reconstruct the Federal-aid highways in the disaster area of the State. Under existing law the cost of repair or reconstruction of Federal-aid highways is shared on a 50-50 basis by the Federal and State Governments. Thus, Alaska's share of the highway reconstruction cost would be \$18 million. If this were new construction, the Federal share would be 94.9 percent because of the so-called sliding scale provisions applicable to Federal-aid highways located in States wherein the unappropriated and unreserved public lands and nontaxable Indian lands, individual and tribal, exceed 5 percent of the total area of all lands therein (1961 statistics show the total acreage of Alaska to be 365,481,600 acres of which 337,497,545 acres are part of the public domain or about 90 percent of the total acreage in the State).

This new subsection is designed to increase the Federal share of reconstruction from 50 to 94.9 percent of the total cost by making the sliding scale provisions of section 120(a) of title 23 applicable to these Federal-aid highways in Alaska. It limits the increase in the Federal share to not more than \$15 million in the aggregate and provides that the amount of the increase shall be reimbursed to the highway emergency fund by an appropriation from the general fund of the Treasury. The initial 50 percent of the Federal share would continue to be financed in the presently authorized manner.

In view of the dimensions of the recent disaster in Alaska and the resulting drain on the State's resources, it seems appropriate to increase the Federal share in the manner proposed in this case.

Section 4

This section of the proposed bill amends the Alaska Omnibus Act by adding six new sections to the existing provisions of that act.

Federal loan adjustments.—Section 51(a) would authorize the Secretary of Agriculture to make adjustments in indebtedness of farmers and rural residents who are borrowers of the Farmers Home Administration to enable them to have a reasonable opportunity to overcome losses suffered from the earthquake and become reestablished on a sound basis. It would also provide authority for refinancing these and other farmers and rural residents similarly damaged. This authority is intended to apply to communities of 2,500 persons or less, as the Small Business Administration will handle such refinancing in larger communities.

When geological surveys determine the original building site to be unusable, Farmers Home Administration would be authorized to include funds in the loans for purchase of a replacement building site.

The Farmers Home Administration has loans outstanding with 200 families in Alaska, totaling approximately \$4 million. These families could not obtain credit from other sources at the time they received their loans. Therefore, such families who suffered damage or loss to their real or chattel property and partial or total loss of income for an indefinite period ordinarily would be unable to recover from their losses without an adjustment in their debts. Special assistance of the type provided in this section of the proposed bill would be necessary for some of these families to recover from this disaster.

Section 51(b) would authorize the Secretary of Agriculture to adjust indebtedness of borrowers in Alaska from the Rural Electrification Administration as he finds necessary because of property loss directly resulting from the earthquake. It is intended that such adjustments would not take into account loss of revenue.

The Rural Electrification Administration has loans outstanding in Alaska to nine electric cooperatives aggregating \$76,362,468, and to two public bodies aggregating \$2,479,000. There is also one loan outstanding to a telephone cooperative in the amount of \$1,863,000. Preliminary reports indicate that substantial damage has been sustained by two electric cooperatives; Chugach Electric Association, Anchorage, with a loan commitment in the amount of \$47,494,000 and Kodiak Electric Association, Kodiak, with a loan commitment in the amount of \$1,555,000. Funds actually advanced to these two systems total \$31,957,436, and the outstanding balance of principal and accumulated interest owed by them is \$29,322,611.

An appraisal of the damage is now underway as is a determination of their ability to repay the outstanding balances of their loans and to carry the additional debt which will be required to finance the reestablishment of their systems on an economically feasible basis. Special assistance of the

type provided in this proposal in an amount not yet determined may be necessary to facilitate the restoration and repair of facilities damaged or destroyed as a result of the earthquake.

It is intended that the authorities in section 51 would be used despite any restrictive provisions of existing law relating to compromises, settlements, or adjustments of borrower's indebtedness under these programs.

Section 52 would authorize the Housing and Home Finance Administrator to compromise or release such portion of any obligations which he holds in Alaska under the public facility loan program or under the revolving fund for liquidating programs, to the extent he finds that such relief is necessary because the facilities securing these obligations have been substantially damaged by the recent earthquake. Presently, the Administrator has no authority to provide any relief in situations such as this, beyond the rescheduling of required loan payments.

Under the revolving fund for liquidating programs, the Housing Administrator holds obligations received in three programs which are now no longer operative: The Alaska housing loan program, the public agency loan program (RFC), and the prefabricated housing loan program. There has been extensive damage, estimated to total about \$1.5 million, to two projects financed under the Alaska housing loan program. These are the McKinley Apartments and the 1200 L Apartments, high-rise projects in downtown Anchorage. The mortgages on these properties are pledged by the Alaska State Housing Authority to the Administrator as part of the security for the Federal loan it received under the Alaska housing loan program for the financing of these apartments. It is not yet certain whether the damage to these properties will prevent the authority from making full payment of its Federal obligation.

The effect of sections 51 and 52 will be to place these programs in Alaska on the same general footing as other Federal loan programs which presently adjust their borrowers' indebtedness under disaster conditions.

It should be noted that the disaster relief authority of the Office of Emergency Planning may be able to accomplish some of the objectives of sections 51(b) and 52 and section 53 below. It is expected that such authority would be used to the maximum extent possible in such cases.

Urban renewal.—Section 53 would authorize the Housing and Home Finance Administrator to enter into contracts for urban renewal projects in Alaska up to a maximum of \$25 million under title I of the Housing Act of 1949. This authorization would be available only in connection with projects which he finds will directly aid in the reconstruction and redevelopment of the areas in Alaska that were substantially damaged or destroyed by the recent disaster. While housing legislation pending in the Congress provides for an increase in existing urban renewal grant authority, the recent disaster makes it essential that some additional contract authority be

requested for use in Alaska in advance of the enactment of the pending legislation.

A number of communities in the disaster area of Alaska are considering or have made applications for urban renewal projects. These are Anchorage, Homer, Kodiak, Seldovia, Seward, and Valdez. Currently available estimates indicate that the total cost of these projects may be \$59 million. The Federal share of this cost would be about \$45 million. This share is made up of 75 percent of the project costs plus 100 percent of relocation costs, which is the usual formula for cities of this size.

Since planning of all these projects is still underway by the local communities, the estimates of costs are highly tentative and may be revised substantially downward. In any event the \$25 million additional grant authority proposed in the bill would be sufficient to proceed on a timely basis and to take advantage of the forthcoming construction season which in Alaska is extremely short. To the extent that additional grant funds may be needed to carry out these projects, they would be made available from regular urban renewal grant authorizations.

While it is recognized that these communities may lack sufficient funds as a result of the earthquake to meet the local share, it is expected that the State will assist these communities in meeting their share through the marketing of its bonds. In this connection, provision is made in section 56 of this bill for the Housing and Home Finance Administrator to purchase up to \$25 million of Alaska State bonds or to make loans in that amount to assist the State's reconstruction effort.

The earthquake has created exceptional circumstances which may make it necessary to relocate the town of Valdez on open land some distance from the present site. Existing urban renewal law does not authorize the making of grants for projects consisting of open land, since it was anticipated that such projects, not involving any demolition of structures, could be carried out without cost. It is possible, however, that grants may be required if Valdez is relocated.

Section 53 would therefore authorize the Administrator to make grants for urban renewal projects consisting of open land in the disaster area. It is expected that the use of this authority will be limited to the possible relocation of Valdez.

Extension of term of home disaster loans.—Section 54 would authorize the Administrator of the Small Business Administration to make loans, in accordance with the provisions of section 7(b)(1) of the Small Business Act, for the repair or reconstruction of homes destroyed or damaged in Alaska by the recent earthquake for a maximum period of 30 years. In making such loans, however, the Administrator could not extend the maturity date, as provided in section 7(c) of the act, for an additional 10 years. Presently, all loans made under section 7(b)(1) of the act must mature in 20 years or less; section 7(c) authorizes an extension for an additional 10 years or less for the orderly liquidation of the loan, if needed.

Modification of civil works projects.—Section 55 would authorize the Secretary of the Army through the Chief of Engineers to modify existing civil works projects in Alaska to meet the changed conditions brought about by the recent earthquake and the current and prospective needs of the communities affected by these projects. Existing projects may be expanded where economically feasible and if the most economic method for construction of the expansion is concurrent with, or in lieu of, replacement of the damaged installation.

Purchase of State bonds.—Section 56 would authorize the Housing and Home Finance Administrator to purchase, in accordance with the applicable provisions of the existing public facility loan program and from funds available in the public facility loan revolving fund, up to \$25 million of State of Alaska bonds issued to finance the State's share of earthquake reconstruction projects. Alternatively, the Administrator could make a loan to the State for this purpose.

These bonds would have a maximum maturity of 40 years. It is contemplated that the State would receive the more favorable interest rate available to public bodies in redevelopment areas from HHFA (currently 3½ percent), and that the State would be able to improve on this rate in the private market within 2 years. It is further contemplated that the first principal repayment might be deferred for a few years after the granting of the loan or the purchase of the bonds. The exact repayment schedule would be determined by the Administrator, taking into account the probable future capacity of Alaska to meet these principal repayments. As soon as the State's regular credit standing is restored, the bonds would either be sold in the private market by the Federal Government, or refunded in the private market by the State.

Shortly after the Alaskan earthquake, the State legislature authorized a \$50 million bond issue to help finance reconstruction, recovery, and some other capital projects. Since this action, the State authorities have tended to the view that the authorized bonds are unmarketable except at prohibitive interest costs.

There is no question that the State of Alaska—even with the favorable proposals for Federal assistance—will be faced in the next 2 years with abnormally high capital investment requirements, but with a temporary decline in investor interest in the State's obligations. The result, without further assistance, would be to require the State to pay high interest rates which cannot be justified over the long run and which would add to the State's financial burdens.

While it is not expected that all of the \$50 million would have to be offered in connection with the present disaster, it appears that one-half or more may be required to supplement the State's revenues and extended transition grants in order to carry out its share of major reconstruction and rehabilitation projects, such as highways and urban renewal. It is expected that up to \$14 million of the bonds would be used by the State to assist the local communities in meeting their

share of urban renewal projects contemplated in the disaster area. Federal assistance in marketing this portion of the \$50 million seems warranted to insure the success of other Federal proposals to aid the State's reconstruction efforts.

If the bonds are bought by the Federal Government as proposed in this bill, it should be possible within a reasonably short time for them to be resold or refinanced in the private market. As a result:

- (a) Alaska's temporary needs would be met;
- (b) No penalty interest costs would be involved; and
- (c) The Federal Government's cost could be recovered as soon as it was no longer needed.

Section 5

This section authorizes the appropriation of necessary funds to the various agencies to carry out the provisions of this bill. The appropriations would be made available for obligation until June 30, 1967. This should provide sufficient time for the State to take advantage of the special Federal assistance made available by this bill.

Section 5 would also authorize appropriations for such advisory commissions or committees as the President may establish in connection with Alaskan reconstruction and development planning. It is intended that this authority would be available for the expenses of the existing Federal Reconstruction and Development Planning Commission for Alaska.

Section 6

This section provides for the termination on June 30, 1967, of the authorities contained in this bill. It is recognized, however, that certain projects may not be completed then, and provision is made for expenditures on approved projects beyond that date.

A letter from the Bureau of the Budget commenting upon certain proposed amendments is included, as follows:

EXECUTIVE OFFICE OF THE PRESIDENT,
BUREAU OF THE BUDGET,
Washington, D.C., June 16, 1964.

HON. WAYNE N. ASPINALL,
Chairman, House Committee on Interior and Insular Affairs,
House of Representatives, Washington, D.C.

DEAR MR. CHAIRMAN: During the recent hearings before the Subcommittee on Territorial and Insular Affairs of your committee on H.R. 11438, a bill to amend the Alaska Omnibus Act to provide assistance to the State of Alaska for the reconstruction of areas damaged by the earthquake of March 1964 and subsequent seismic waves, and for other purposes, the Bureau of the Budget was asked for its views on several proposed amendments to the bill. Five of these amendments proposed by Mr. Rivers are enclosed for convenient reference.

The first of these amendments would amend the proposed section 51(b) of the Alaska Omnibus Act to authorize the Secretary of Agriculture to adjust the indebtedness of borrowers of the Rural

Electrification Administration to cover any loss of income as well as damage to property resulting from the earthquake.

The existing provisions of the bill are designed to exclude any losses of income in adjusting this indebtedness, since such losses cannot be determined with any degree of accuracy as being directly related to the earthquake. Some of the borrowers in Alaska of REA were not in a sound economic position prior to the earthquake. We do not believe that this legislation should be used to improve their general economic positions. Furthermore, it is not the policy of this legislation or of the other Federal actions in Alaska to provide compensation for loss of income whether such losses resulted directly or indirectly from the earthquake. We believe this policy is sound.

The second of the proposed amendments would amend the urban renewal provisions of H.R. 11438. This amendment would authorize the Housing and Home Finance Administrator to increase the Federal share of proposed urban renewal projects in the disaster area of Alaska to a maximum of 90 percent of the net project costs. In our opinion such an increase is neither justified nor desirable.

Presently, section 111 of the Housing Act of 1949, as amended, authorizes the Federal Government to extend urban renewal assistance in areas found to be in need of redevelopment or rehabilitation as the result of a catastrophe, such as an earthquake. In authorizing the extension of this assistance in 1956, Congress specifically waived certain limitations imposed upon nondisaster projects, such as the workable-program and public-hearing requirements, but did not increase the Federal share of these projects which at that time was limited to a maximum of two-thirds of the aggregate of the net project costs. This maximum was increased in 1957 to 75 percent for cities such as those in the disaster area of Alaska.

H.R. 11438 does not change the basic disaster provisions of the 1949 act. We believe to do so would establish an undesirable precedent. The State or local communities, as provided in the present provisions of the 1949 act, should have a substantial financial interest in disaster-related, as well as non-disaster-related, projects to insure their sound execution.

The latest preliminary estimate of the net project costs of the proposed urban renewal projects in Alaska is \$36 million. The Federal share of these costs would be about \$27 million. This would leave a balance of \$9 million to be borne by the State and local communities. The Federal Government would also bear about \$1.5 million in relocation costs.

The Alaskan State Legislature has recently authorized the issuance of \$6.5 million of general obligation bonds or borrowing from the United States to cover up to two-fifths of the local share of 25 percent of the proposed renewal project costs. Either the local communities should be able to provide the remainder of the local share or the State should raise its limitation on participating in these costs.

The proposed third amendment would provide for the deferral of repayments of principal on securities or obligations purchased, or loans made under the public facility loans section of the bill for 10 years from the date of borrowing and extend the maturity of the loans from the present maximum of 40 to 50 years. Most importantly, it would establish the interest rate at a maximum of three-fourths of 1 percent.

The public facility loans program is funded by borrowing from the Treasury at a rate determined by the Secretary of the Treasury, in accordance with a formula based on the average cost of all outstanding interest-bearing public debt obligations. This formula presently results in an interest rate of 3½ percent. The basic policy of the program is to make credit available to eligible public bodies where such credit is not otherwise available on reasonable terms.

The purpose of the section of H.R. 11438 extending credit to the State of Alaska is to restore the capability of the State to market its bonds at an interest rate comparable to that paid prior to the earthquake and to insure the success of other Federal proposals to aid in the State's reconstruction efforts. This amendment, however, would go far beyond this by providing an interest rate subsidy equivalent to \$14.2 million, if the full \$25 million is borrowed. Thus, the net effect would be the same as if the Federal Government made a direct grant of \$14.2 million accompanied by a loan of \$10.8 million at interest rates sufficient to cover its cost. We do not believe that this subsidy is justified, especially since Alaska will already receive earthquake-related Federal grants totaling about \$200 million under existing law and H.R. 11438.

We strongly recommend against the enactment of the above three amendments to H.R. 11438.

Amendment No. 4 would add a new subsection to the proposed section 56 of the Alaska Omnibus Act. This new subsection would authorize the purchase, through the public facility loan program, of up to \$11,624,000 of State of Alaska bonds authorized, but unissued prior to the earthquake. These bonds would be used to finance roads, highways, school, and hospital construction among other things. Thus, they are aimed at the long-range development of the State. We understand that about \$7.2 million of these bonds were to be proposed for sale in early 1965 to allow for completion of projects started during 1963 and 1964.

While we are opposed to the provisions of this amendment, we would not object to an amendment which would aid in the completion of capital improvements begun in 1963 and early 1964 by the State. We believe that this can best be accomplished by inserting after the word "waves" on page 5, line 21, of H.R. 11438 the following: "or to complete capital improvements begun prior to the earthquake".

This would have the effect of authorizing the Housing and Home Finance Administrator to purchase about \$7.2 million of State of Alaska general obligation bonds out of the total of \$11,624,000 which were authorized, prior to the earthquake, but were not issued, or to make loans in that amount. This substitute amendment will enable the State to complete the projects begun in 1963 and 1964, as indicated above. Since these bonds, like the bonds for reconstruction purposes, could be affected by present high interest costs because of the earthquake, we believe it is reasonable to provide for this purchase, or a loan in that amount, when it is determined that these high interest costs will adversely affect ability of the State to market its bonds. As soon as the State's regular credit standing is restored, the balance of these bonds could be marketed by the State with no penalty interest costs involved.

The fifth of the enclosed amendments to the bill would authorize the Federal National Mortgage Association to repurchase at par

any home mortgage in Alaska insured by the Federal Housing Administration which is secured by property in Alaska and which was lost, destroyed, or severely damaged by the recent disaster. The purchases would be made from funds available to FNMA for carrying out its special functions pursuant to section 305 of the National Housing Act. The payments are limited to \$10 million in the aggregate.

FNMA has sold about \$47 million of FHA-insured mortgages on Alaska homes. The total value of FHA-insured Alaska homes destroyed or severely damaged by the earthquake has been estimated to be about \$12 million. No figures, however, are available as to how many of these FHA-insured properties were involved in the sales by FNMA.

We are unaware of any need or justification for this amendment, which is designed to provide assistance to a particular group of holders of Alaska mortgages. Many of these mortgages were purchased from FNMA at several points discount. These holders would receive a substantial windfall if the mortgages were repurchased at par.

Further, this proposal is contrary to the policy established by FNMA, SBA, FHA, and the VA to assist in disposing of the overhanging mortgage debt on destroyed property not covered by earthquake insurance. It is hoped that various private leaders will settle other mortgage claims on a comparably favorable basis, as a result of this announced Federal policy.

We therefore recommend against the enactment of this latter amendment.

Another of the proposed amendments to the bill which is not enclosed herein would also amend the urban renewal provisions of the bill. This amendment would authorize the Housing and Home Finance Administrator to approve payments for the acquisition of property for any urban renewal project in Alaska on the basis of the preearthquake value of the property. This amendment is not limited to the disaster area. It applies to all property acquisitions for urban renewal projects in Alaska regardless of whether those projects were commenced before or after the earthquake, or whether the changes in property value are earthquake related. We are opposed to the enactment of this amendment.

The intent of this amendment is apparently to authorize payments at prices which completely ignore property damage caused by the earthquake. The effect of this would be to provide, largely with Federal funds, an indirect means of indemnification for property losses within the project area resulting from the earthquake. We continue to believe that the principle of indemnification is unsound. In any event, we strongly believe that this fundamental issue should be met squarely and not hidden under the guise of urban renewal.

In addition, by establishing the preearthquake value as the value to be applied to properties acquired within urban renewal projects in Alaska, the amendment would bar the payment of any increase in value in properties since the earthquake. This defect points up the undesirable precedent created by the amendment in departing from the general practice followed by the Federal and State Governments and upheld by the courts of paying the market value at the time of acquisition for properties that are acquired for public purposes.

It has long been held that "The fifth amendment of the Constitution provides that private property shall not be taken for public use without just compensation" (*United States v. Miller*, 317 U.S. 369, 373

(1943)). "Just compensation includes all elements of value that inhere in the property, but it does not exceed market value fairly determined" (*Olson v. United States*, 292 U.S. 246, 255(1934)). The "market value" of property and its improvements can be estimated with considerable accuracy. "It is usually said that market value is what a willing buyer would pay in cash to a willing seller" (*United States v. Miller, supra*).

Incidentally, it should be pointed out that since the amount paid for the acquisition of property within in urban renewal area is ordinarily a matter to be determined under State and local law, this amendment would not achieve its intended purpose. On the other hand, if the State enacted a law similar to this amendment, the same basic objections noted above would apply.

In addition, it should be noted that it would be inequitable to compensate property owners in urban renewal areas by a standard of value which differs from that used to compensate owners outside such areas.

Two additional amendments were also proposed during the hearings on H.R. 11438. These related to the placing of a dollar limitation in section 5 of the bill and providing for a semiannual report to the Congress on actions taken under this legislation. We would not object to either of these proposals.

The first of these proposals could be accomplished by adding a new sentence at the end of section 5 of the bill to read as follows:

"The total amount authorized to be appropriated pursuant to this section shall not exceed \$50,150,000."

This total would cover the amounts required to carry out the provision of the bill amending section 21 of the Alaska Omnibus Act (highways), those adding sections 53 and 55 to the act (urban renewal and civil works) and the work of the Federal Reconstruction and Development Planning Commission for Alaska.

In order to carry out the second of these proposals, we suggest that H.R. 11438 be amended by adding at the end of section 6 thereof a new section to read as follows:

"REPORTING

"SEC. 7. The President shall report semiannually during the term of this Act to the President of the Senate and the Speaker of the House on the actions taken under this Act by the various Federal agencies. The first such report shall be submitted not later than February 1, 1965, and shall cover the period ending December 31, 1964."

Sincerely yours,

PHILLIP S. HUGHES,
Assistant Director for Legislative Reference.

COMMITTEE RECOMMENDATION

The Committee on Interior and Insular Affairs recommends the enactment of H.R. 11438 as amended.

CHANGES IN EXISTING LAW

In compliance with clause 3 of rule XIII of the Rules of the House of Representatives, changes in existing law made by the bill, as reported, are shown as follows (existing law proposed to be omitted

is enclosed in black brackets, new matter is printed in *italic*, existing law in which no change is proposed is shown in roman):

ACT OF JUNE 25, 1959 (73 STAT. 141)

* * * * *

HIGHWAYS

SEC. 21. (a) The Secretary of Commerce shall transfer to the State of Alaska by appropriate conveyance without compensation, but upon such terms and conditions as he may deem desirable, all lands or interests in lands, including buildings and fixtures, all personal property, including machinery, office equipment, and supplies, and all records pertaining to roads in Alaska, which are owned, held, administered by, or used by the Secretary in connection with the activities of the Bureau of Public Roads in Alaska, (i) except such lands or interests in lands, including buildings and fixtures, personal property, including machinery, office equipment, and supplies, and records as the Secretary may determine are needed for the operations, activities, and functions of the Bureau of Public Roads in Alaska after such transfer, including services or functions performed pursuant to section 44 of this Act; and (ii) except such lands or interests in lands as he or the head of any other Federal agency may determine are needed for continued retention in Federal ownership for purposes other than or in addition to road purposes.

(b) Notwithstanding any other provision of this section, any contract entered into by the Federal Government in connection with the activities of the Bureau of Public Roads in Alaska which has not been completed on the date of the transfer provided under subsection (a) hereof may be completed according to the terms thereof.

(c)(1) The State of Alaska shall be responsible for the maintenance of roads, including bridges, tunnels, and ferries, transferred to it under subsection (a) of this section, as long as any such road is needed for highway purposes.

(2) Federal-aid funds apportioned to Alaska under title 23, United States Code, for fiscal year 1960 and prior fiscal years, and unobligated on the date of enactment of this Act, may be used for maintenance of highways on the Federal-aid systems in Alaska.

(d) Effective July 1, 1959, the following provisions of law are repealed:

(1) Title 23, United States Code, section 103(f);

(2) Title 23, United States Code, section 116(d);

(3) Title 23, United States Code, section 119;

(4) Title 23, United States Code, section 120(h), except that the portion of the first sentence thereof relating to the percentage of funds to be contributed by Alaska shall continue to apply to funds apportioned to Alaska for fiscal year 1960 and prior fiscal years;

(5) Sections 107 (b) and (d) of the Federal-Aid Highway Act of 1956 (70 Stat. 374, 377, 378);

(6) Section 2 of the Act of January 27, 1905 (33 Stat. 616), as amended (48 U.S.C. 322 and the following); and

(7) The Act of June 30, 1932 (47 Stat. 446), as amended (48 U.S.C. 321(a) and the following).

(e) Effective on July 1, 1959, the following provisions of law are amended:

(1) The definition of the term "State" in title 23, United States Code, section 101(a), is amended to read as follows: "The term 'State' means any one of the forty-nine States, the District of Columbia, Hawaii, or Puerto Rico.";

(2) Title 23, United States Code, section 104(b), is amended by deleting the phrase "except that only one-third of the area of Alaska shall be included" where it appears in paragraphs (1) and (2) of said section 104(b);

(3) Title 23, United States Code, section 116(a), is amended by deleting the phrase "Except as provided in subsection (d) of this section," and by capitalizing the word "it" immediately following such phrase; and

(4) Title 23, United States Code, section 120(a), is amended by deleting the phrase "subsections (d) and (h)" and by inserting in lieu thereof the phrase "subsection (d)".

(f) *Notwithstanding the limitation contained in subsection (f) of section 120 of title 23, United States Code, the Secretary of Commerce is authorized to make expenditures from the emergency fund under section 125 of such title for the repair or reconstruction of highways on the Federal-aid highway systems of Alaska which have been damaged or destroyed by the 1964 earthquake and subsequent seismic waves, in accordance with the Federal share payable under subsection (a) of section 120 of such title. The increase in expenditures resulting from the difference between the Federal share authorized by this subsection and that authorized by subsection (f) of section 120 of such title shall be reimbursed to the emergency fund by an appropriation from the general fund of the Treasury: Provided, That such increase in expenditures shall not exceed \$15,000,000 in the aggregate.*

* * * * *

SEPARABILITY

SEC. 50. If any provision of this Act, or the application thereof to any person or circumstances, is held invalid, the remainder of this Act, and the application of such provision to other persons or circumstances, shall not be affected thereby.

NEW FEDERAL LOAN ADJUSTMENTS

SEC. 51. (a) *The Secretary of Agriculture is authorized to compromise or release such portion of a borrower's indebtedness under programs administered by the Farmers Home Administration in Alaska as he finds necessary because of loss resulting from the 1964 earthquake and subsequent seismic waves, and he may refinance outstanding indebtedness of applicants in Alaska for loans under section 502 of the Housing Act of 1949 for the repair, reconstruction, or replacement of dwellings or farm buildings lost, destroyed, or damaged by such causes and securing such outstanding indebtedness. Such loans may also provide for the purchase of building sites, when the original sites cannot be utilized.*

(b) *The Secretary of Agriculture is authorized to compromise or release such portion of a borrower's indebtedness under programs administered by the Rural Electrification Administration in Alaska as*

he finds necessary because of loss, destruction, or damage of property resulting from the 1964 earthquake and subsequent seismic waves.

SEC. 52. The Housing and Home Finance Administrator is authorized to compromise or release such portion of any note or other obligation held by him with respect to property in Alaska pursuant to title II of the Housing Amendments of 1955 or included within the revolving fund for liquidating programs established by the Independent Offices Appropriation Act of 1955, as he finds necessary because of loss, destruction, or damage to facilities securing such obligations by the 1964 earthquake and subsequent seismic waves.

URBAN RENEWAL

SEC. 53. The Housing and Home Finance Administrator is authorized to enter into contracts for grants not exceeding \$25,000,000 for urban renewal projects in Alaska, including open land projects, under section 111 of the Housing Act of 1949, which he determines will aid the communities in which they are located in reconstruction and redevelopment made necessary by the 1964 earthquake and subsequent seismic waves. Such authorization shall be in addition to and separate from any grant authorization contained in section 103(b) of said Act.

The Administrator may increase the capital grant for a project assisted under this section to not more than 90 per centum of net project cost where he determines that a major portion of the project area has either been rendered unusable as a result of the 1964 earthquake and subsequent seismic waves or is needed in order adequately to provide, in accordance with the urban renewal plan for the project, new locations for persons, businesses, and facilities displaced by the earthquake.

EXTENSION OF TERM OF HOME DISASTER LOANS

SEC. 54. Loans made pursuant to paragraph (1) of section 7(b) of the Small Business Act (72 Stat. 387), as amended (15 U.S.C. 636(b)), for the purpose of replacing, reconstructing, or repairing dwellings in Alaska damaged or destroyed by the 1964 earthquake and subsequent seismic waves, may have a maturity of up to thirty years: Provided, That the provisions of section 7(c) of said Act shall not be applicable to such loans.

MODIFICATION OF CIVIL WORKS PROJECTS

SEC. 55. The Chief of Engineers, under the direction of the Secretary of the Army, is hereby authorized to make such modifications to previously authorized civil works projects in Alaska adversely affected by the 1964 earthquake and subsequent seismic waves as he finds necessary to meet changed conditions and to provide for current and reasonably prospective requirements of the communities they serve, at an estimated cost of \$10,000,000.

PURCHASE OF ALASKA STATE BONDS

SEC. 56. The Housing and Home Finance Administrator is authorized to purchase, in accordance with the provisions of sections 202(b), 203, and 204 of title II of the Housing Amendments of 1955, the securities and obligations of, or make loans to, the State of Alaska to finance any part of the programs needed to carry out the reconstruction activities in Alaska related to the 1964 earthquake and subsequent seismic waves or to complete

capital improvements begun prior to the earthquake: Provided, That the aggregate amount of such purchase or loan shall not exceed \$25,000,000: Provided further, That the terms of repayment of such securities and obligations or loans shall be as follows: Repayment of the principal sum in fifty years from the date of the borrowing payable in equal annual payments beginning ten years after the money is lent at an annual interest rate not to exceed 3 per centum on the unpaid balance.

PURCHASE OF HOME MORTGAGES

SEC. 57. The Federal National Mortgage Association is authorized to repurchase at a cost not to exceed par any home mortgage insured by the Federal Housing Administration which is secured by property in Alaska which was lost, destroyed, or severely damaged as a result of the 1964 earthquake or subsequent seismic waves. Any such purchase shall be made from funds available to the Association for carrying out its special assistance functions pursuant to section 305 of the National Housing Act: except that the aggregate amount of such purchases shall not exceed \$10,000,000.



H. R. 11438

[Report No. 1521]

IN THE HOUSE OF REPRESENTATIVES

MAY 28, 1964

Mr. RIVERS of Alaska introduced the following bill; which was referred to the Committee on Interior and Insular Affairs

JUNE 29, 1964

Reported with amendments, committed to the Committee of the Whole House on the State of the Union and ordered to be printed

[Omit the part struck through and insert the part printed in *italic*]

A BILL

To amend the Alaska Omnibus Act to provide assistance to the State of Alaska for the reconstruction of areas damaged by the earthquake of March 1964 and subsequent seismic waves, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*
3 That this Act may be cited as the "1964 Amendments to
4 the Alaska Omnibus Act".

5 SEC. 2. The Congress hereby recognizes that the State
6 of Alaska has experienced extensive property loss and dam-
7 age as a result of the earthquake of March 27, 1964, and
8 subsequent seismic waves, and declares the need for special
9 measures designed to aid and accelerate the State's efforts

1 in providing for the reconstruction of the areas in the State
2 devastated by this natural disaster.

3 SEC. 3. Section 21 of the Alaska Omnibus Act (73
4 Stat. 145) is amended by adding a new subsection (f) to
5 read as follows:

6 “(f) Notwithstanding the limitation contained in sub-
7 section (f) of section 120 of title 23, United States Code,
8 the Secretary of Commerce is authorized to make expendi-
9 tures from the emergency fund under section 125 of such
10 title for the repair or reconstruction of highways on the
11 Federal-aid highway systems of Alaska which have been
12 damaged or destroyed by the 1964 earthquake and subse-
13 quent seismic waves, in accordance with the Federal share
14 payable under subsection (a) of section 120 of such title.
15 The increase in expenditures resulting from the difference be-
16 tween the Federal share authorized by this subsection and
17 that authorized by subsection (f) of section 120 of such
18 title shall be reimbursed to the emergency fund by an ap-
19 propriation from the general fund of the Treasury: *Provided,*
20 That such increase in expenditures shall not exceed
21 \$15,000,000 in the aggregate.”

22 SEC. 4. The Alaska Omnibus Act (73 Stat. 141) is
23 amended by adding the following new sections at the end
24 of section 50 thereof:

1 "NEW FEDERAL LOAN ADJUSTMENTS

2 "SEC. 51. (a) The Secretary of Agriculture is author-
3 ized to compromise or release such portion of a borrower's
4 indebtedness under programs administered by the Farmers
5 Home Administration in Alaska as he finds necessary be-
6 cause of loss resulting from the 1964 earthquake and subse-
7 quent seismic waves, and he may refinance outstanding
8 indebtedness of applicants in Alaska for loans under section
9 502 of the Housing Act of 1949 for the repair, reconstruc-
10 tion, or replacement of dwellings or farm buildings lost,
11 destroyed, or damaged by such causes and securing such
12 outstanding indebtedness. Such loans may also provide for
13 the purchase of building sites, when the original sites cannot
14 be utilized.

15 "(b) The Secretary of Agriculture is authorized to
16 compromise or release such portion of a borrower's indebted-
17 ness under programs administered by the Rural Electrifica-
18 tion Administration in Alaska as he finds necessary because
19 of loss, destruction, or damage of property resulting from
20 the 1964 earthquake and subsequent seismic waves.

21 "SEC. 52. The Housing and Home Finance Adminis-
22 trator is authorized to compromise or release such portion
23 of any note or other obligation held by him with respect
24 to property in Alaska pursuant to title II of the Housing

1 Amendments of 1955 or included within the revolving fund
2 for liquidating programs established by the Independent
3 Offices Appropriation Act of 1955, as he finds necessary
4 because of loss, destruction, or damage to facilities securing
5 such obligations by the 1964 earthquake and subsequent
6 seismic waves.

7 "URBAN RENEWAL

8 "SEC. 53. The Housing and Home Finance Adminis-
9 trator is authorized to enter into contracts for grants not
10 exceeding \$25,000,000 for urban renewal projects in
11 Alaska, including open land projects, under section 111 of
12 the Housing Act of 1949, which he determines will aid
13 the communities in which they are located in reconstruction
14 and redevelopment made necessary by the 1964 earthquake
15 and subsequent seismic waves. Such authorization shall be
16 in addition to and separate from any grant authorization
17 contained in section 103 (b) of said Act.

18 *"The Administrator may increase the capital grant for*
19 *a project assisted under this section to not more than 90 per*
20 *centum of net project cost where he determines that a major*
21 *portion of the project area has either been rendered unusable*
22 *as a result of the 1964 earthquake and subsequent seismic*
23 *waves or is needed in order adequately to provide, in accord-*
24 *ance with the urban renewal plan for the project, new loca-*

1 *tions for persons, businesses, and facilities displaced by the*
2 *earthquake."*

3 "EXTENSION OF TERM OF HOME DISASTER LOANS

4 "SEC. 54. Loans made pursuant to paragraph (1) of
5 section 7 (b) of the Small Business Act (72 Stat. 387),
6 as amended (15 U.S.C. 636 (b)), for the purpose of re-
7 placing, reconstructing, or repairing dwellings in Alaska
8 damaged or destroyed by the 1964 earthquake and subse-
9 quent seismic waves, may have a maturity of up to thirty
10 years: *Provided*, That the provisions of section 7 (c) of
11 said Act shall not be applicable to such loans.

12 "MODIFICATION OF CIVIL WORKS PROJECTS

13 "SEC. 55. The Chief of Engineers, under the direction
14 of the Secretary of the Army, is hereby authorized to make
15 such modifications to previously authorized civil works proj-
16 ects in Alaska adversely affected by the 1964 earthquake
17 and subsequent seismic waves as he finds necessary to meet
18 changed conditions and to provide for current and reasonably
19 prospective requirements of the communities they serve, at
20 an estimated cost of \$10,000,000.

21 "PURCHASE OF ALASKA STATE BONDS

22 "SEC. 56. The Housing and Home Finance Adminis-
23 trator is authorized to purchase, in accordance with the pro-
24 visions of sections 202 (b) , 203, and 204 of title II of the

1 Housing Amendments of 1955, the securities and obligations
 2 of, or make loans to, the State of Alaska to finance any part
 3 of the programs needed to carry out the reconstruction activi-
 4 ties in Alaska related to the 1964 earthquake and subsequent
 5 seismic ~~waves:~~ *waves or to complete capital improvements*
 6 *begun prior to the earthquake: Provided, That the aggregate*
 7 *amount of such purchase or loan shall not exceed \$25,-*
 8 *000,000."* *\$25,000,000: Provided further, That the terms*
 9 *of repayment of such securities and obligations or loans shall*
 10 *be as follows: Repayment of the principal sum in fifty years*
 11 *from the date of the borrowing payable in equal annual pay-*
 12 *ments beginning ten years after the money is lent at an annual*
 13 *interest rate not to exceed three per centum on the unpaid*
 14 *balance.*

15 "PURCHASE OF HOME MORTGAGES

16 "SEC. 57. The Federal National Mortgage Association
 17 is authorized to repurchase at a cost not to exceed par any
 18 home mortgage insured by the Federal Housing Administra-
 19 tion which is secured by property in Alaska which was lost,
 20 destroyed, or severely damaged as a result of the 1964 earth-
 21 quake or subsequent seismic waves. Any such purchase shall
 22 be made from funds available to the Association for carrying
 23 out its special assistance functions pursuant to section 305 of
 24 the National Housing Act; except that the aggregate amount
 25 of such purchases shall not exceed \$10,000,000."

APPROPRIATION AUTHORIZATION

SEC. 5. There is authorized to be appropriated such sums as may be necessary to carry out the provisions of this Act, which shall be available for obligation until June 30, 1967. There is also authorized to be appropriated such sums as may be necessary for the expenses of such advisory commissions or committees as the President may establish in connection with the recontruction and development planning of the State of Alaska. *The total amount authorized to be appropriated pursuant to this section shall not exceed \$50,150,000.*

TERMINATION DATE

SEC. 6. The authority contained in this Act shall expire on June 30, 1967, except that such expiration shall not affect the payment of expenditures for any obligation or commitment entered into under this Act prior to June 30, 1967.

REPORTING

SEC. 7. *The President shall report semiannually during the term of this Act to the President of the Senate and the Speaker of the House on the actions taken under this Act by the various Federal agencies. The first such report shall be submitted not later than February 1, 1965, and shall cover the period ending December 31, 1964.*

[Report No. 1521]

A BILL

To amend the Alaska Omnibus Act to provide assistance to the State of Alaska for the reconstruction of areas damaged by the earthquake of March 1964, and subsequent seismic waves, and for other purposes.

By Mr. RIVERS of Alaska

MAY 28, 1964

Referred to the Committee on Interior and Insular
Affairs

JUNE 29, 1964

Reported with amendments, committed to the Committee of the Whole House on the State of the Union, and ordered to be printed

June 30, 1965, and for other purposes," and concur therein.

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 43, and concur therein with an amendment, as follows: In lieu of the matter stricken and proposed by said amendment, insert: "received by the Board for the benefit of the John F. Kennedy Center for the Performing Arts to July 1, 1964, and available or used for expenditures directly incident to the planning, contracting, and construction of the Center."

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 46, and concur therein with an amendment, as follows: In lieu of the matter proposed, insert:

"COMMISSION ON THE STATUS OF PUERTO RICO
"Salaries and expenses

"For expenses necessary to carry out the provisions of Public Law 88-271, approved February 20, 1964, \$250,000, to remain available until June 30, 1966."

Mr. HAYDEN. Mr. President, I move that the Senate concur in the amendments of the House to the amendments of the Senate numbered 43 and 46.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Arizona.

The motion was agreed to.

APPOINTMENTS BY THE PRESIDENT PRO TEMPORE

The PRESIDING OFFICER (Mr. McIntyre in the chair). The Chair announces, on behalf of the President pro tempore, that the Senator from Utah [Mr. BENNETT] is assigned to the U.S. delegation to the Interparliamentary Union Conference, which is scheduled to meet in Copenhagen in August 1964, in lieu of the Senator from Kentucky [Mr. MORTON], who has resigned.

The Chair further announces that the Senator from Iowa [Mr. HICKENLOOPER] and the Senator from Alabama [Mr. SPARKMAN] have been designated as alternate delegates to this conference.

ORDER FOR ADJOURNMENT UNTIL NOON TOMORROW

Mr. MANSFIELD. Mr. President, I ask unanimous consent that when the business for today has been completed, the Senate stand in adjournment until 12 o'clock noon tomorrow.

The PRESIDING OFFICER. Without objection, it is so ordered.

AMENDMENT TO ALASKA OMNIBUS ACT PROVIDING FOR ASSISTANCE TO EARTHQUAKE-STRICKEN ALASKA

Mr. MANSFIELD. Mr. President, I move that the Senate proceed to the consideration of Calendar No. 1059, S. 2881, and that it be made the pending business. No action will be taken on the bill today.

The PRESIDING OFFICER. The bill will be stated by title.

The LEGISLATIVE CLERK. A bill (S. 2881) to amend the Alaska Omnibus Act to provide assistance to the State of Alaska for the reconstruction of areas

damaged by the earthquake of March 1964, and subsequent seismic waves, and for other purposes.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Montana.

The motion was agreed to; and the Senate proceeded to consider the bill which had been reported from the Committee on Interior and Insular Affairs, with amendments, on page 4, line 19, after the word "Act.", to insert The Administrator may increase the capital grant for a project assisted under this section to not more than 90 per centum of net project costs in communities the population of which is six thousand persons or less, as determined by the 1960 census of the United States Department of Commerce, including but not limited to the communities of Seward, Kodiak, Valdez, and Seldovia, where the Administrator determines that a major portion of the project area has either been rendered unusable as a result of the 1964 earthquake and subsequent seismic waves or is needed in order adequately to provide, in accordance with the urban renewal plan for the project, new locations for persons, businesses, and facilities displaced by the earthquake and subsequent seismic waves."; on page 5, line 13, after the word "Alaska", to insert "and in areas in California and Washington declared to be earthquake disaster areas in Federal Register Document 64-3574, filed April 10, 1964,"; and on page 6, line 13, after the word "seismic", to strike out "waves:" and insert "waves, or to complete capital improvements begun prior to the earthquake:"; so as to make the bill read:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "1964 Amendments to the Alaska Omnibus Act".

SEC. 2. The Congress hereby recognizes that the State of Alaska has experienced extensive property loss and damage as a result of the earthquake of March 27, 1964, and subsequent seismic waves, and declares the need for special measures designed to aid and accelerate the State's efforts in providing for the reconstruction of the areas in the State devastated by this natural disaster.

SEC. 3. Section 21 of the Alaska Omnibus Act (73 Stat. 145) is amended by adding a new subsection (f) to read as follows:

(f) Notwithstanding the limitation contained in subsection (f) of section 120 of title 23, United States Code, the Secretary of Commerce is authorized to make expenditures from the emergency fund under section 125 of such title for the repair or reconstruction of highways on the Federal-aid highway systems of Alaska which have been damaged or destroyed by the 1964 earthquake and subsequent seismic waves, in accordance with the Federal share payable under subsection (a) of section 120 of such title. The increase in expenditures resulting from the difference between the Federal share authorized by this subsection and that authorized by subsection (f) of section 120 of such title shall be reimbursed to the emergency fund by an appropriation from the general fund of the Treasury: *Provided*, That such increase in expenditures shall not exceed \$15,000,000 in the aggregate."

SEC. 4. The Alaska Omnibus Act (73 Stat. 141) is amended by adding the following new sections at the end of section 50 thereof:

"NEW FEDERAL LOAN ADJUSTMENTS

"SEC. 51. (a) The Secretary of Agriculture is authorized to compromise or release such portion of a borrower's indebtedness under programs administered by the Farmers Home Administration in Alaska as he finds necessary because of loss resulting from the 1964 earthquake and subsequent seismic waves, and he may refinance outstanding indebtedness of applicants in Alaska for loans under section 502 of the Housing Act of 1949 for the repair, reconstruction, or replacement of dwellings or farm buildings lost, destroyed, or damaged by such causes and securing such outstanding indebtedness. Such loans may also provide for the purchase of building sites, when the original sites cannot be utilized.

"(b) The Secretary of Agriculture is authorized to compromise or release such portion of a borrower's indebtedness under programs administered by the Rural Electrification Administration in Alaska as he finds necessary because of loss, destruction, or damage of property resulting from the 1964 earthquake and subsequent seismic waves.

"SEC. 52. The Housing and Home Finance Administrator is authorized to compromise or release such portion of any note or other obligation held by him with respect to property in Alaska pursuant to title II of the Housing Amendments of 1955 or included within the revolving fund for liquidating programs established by the Independent Offices Appropriation Act of 1955, as he finds necessary because of loss, destruction, or damage to facilities securing such obligations by the 1964 earthquake and subsequent seismic waves.

"URBAN RENEWAL

"SEC. 53. The Housing and Home Finance Administrator is authorized to enter into contracts for grants not exceeding \$25,000,000 for urban renewal projects in Alaska, including open land projects, under section 111 of the Housing Act of 1949, which he determines will aid the communities in which they are located in reconstruction and redevelopment made necessary by the 1964 earthquake and subsequent seismic waves. Such authorization shall be in addition to and separate from any grant authorization contained in section 103(b) of said Act. The Administrator may increase the capital grant for a project assisted under this section to not more than 90 per centum of net project costs in communities the population of which is six thousand persons or less, as determined by the 1960 census of the United States Department of Commerce, including but not limited to the communities of Seward, Kodiak, Valdez and Seldovia, where the Administrator determines that a major portion of the project area has either been rendered unusable as a result of the 1964 earthquake and subsequent seismic waves or is needed in order adequately to provide, in accordance with the urban renewal plan for the project, new locations for persons, businesses, and facilities displaced by the earthquake and subsequent seismic waves.

"EXTENSION OF TERM OF HOME DISASTER LOANS

"SEC. 54. Loans made pursuant to paragraph (1) of section 7(b) of the Small Business Act (72 Stat. 387), as amended (15 U.S.C. 636(b)), for the purpose of replacing, reconstructing, or repairing dwellings in Alaska and in areas in California and Washington declared to be earthquake disaster areas in Federal Register Document 64-3574, filed April 10, 1964, damaged or destroyed by the 1964 earthquake and subsequent seismic waves, may have a maturity of up to thirty years: *Provided*, That the provisions of section 7(c) of said Act shall not be applicable to such loans.

"MODIFICATION OF CIVIL WORKS PROJECTS"

"SEC. 55. The Chief of Engineers, under the direction of the Secretary of the Army, is hereby authorized to make such modifications to previously authorized civil works projects in Alaska adversely affected by the 1964 earthquake and subsequent seismic waves as he finds necessary to meet changed conditions and to provide for current and reasonably prospective requirements of the communities they serve, at an estimated cost of \$10,000,000.

"PURCHASE OF ALASKA STATE BONDS"

"SEC. 56. The Housing and Home Finance Administrator is authorized to purchase, in accordance with the provisions of sections 202(b), 203 and 204 of title II of the Housing Amendments of 1955, the securities and obligations of, or make loans to, the State of Alaska to finance any part of the programs needed to carry out the reconstruction activities in Alaska related to the 1964 earthquake and subsequent seismic waves, or to complete capital improvements begun prior to the earthquake: *Provided*, That the aggregate amount of such purchase or loan shall not exceed \$25,000,000."

APPROPRIATION AUTHORIZATION

SEC. 5. There is authorized to be appropriated such sums as may be necessary to carry out the provisions of this Act, which shall be available for obligation until June 30, 1967. There is also authorized to be appropriated such sums as may be necessary for the expenses of such advisory commissions or committees as the President may establish in connection with the reconstruction and development planning of the State of Alaska.

TERMINATION DATE

SEC. 6. The authority contained in this Act shall expire on June 30, 1967, except that such expiration shall not affect the payment of expenditures for any obligation or commitment entered into under this Act prior to June 30, 1967.

Mr. MANSFIELD. Mr. President, no action will be taken on the bill tonight; it will be the pending business for consideration by the Senate tomorrow.

PROPOSED MODIFICATIONS BY ATOMIC ENERGY COMMISSION TO EXISTING AGREEMENTS FOR COOPERATION WITH SEVEN COUNTRIES

Mr. GORE. Mr. President, I wish to inform the Senate that pursuant to section 123c. of the Atomic Energy Act of 1954, as amended, the Atomic Energy Commission has submitted to the Joint Committee on Atomic Energy proposed modifications to existing agreements for cooperation with seven countries. These countries are: The Kingdom of Greece, Iran, Republic of China, Republic of Vietnam, Kingdom of Thailand, Republic of France, and the Argentine Republic. Section 123c. of the act requires that such agreements lay before the committee for a period of 30 days before they become effective. The proposed amendment to the Agreement for Cooperation with the Republic of France was received by the Joint Committee on June 24. The other proposed amendments were received on June 9, 1964.

The subcommittee plans to hold public hearings on these proposed modifications on Tuesday, June 30, at 2 p.m., in the Joint Committee's open hearing room.

In keeping with the regular practice of the committee of informing Congress of the pendency of these matters, I ask unanimous consent, as chairman of the Joint Committee's Subcommittee on Agreements for Cooperation, to have printed at this point in the RECORD the text of the proposed amendments to the agreements for cooperation and the supporting correspondence.

There being no objection, the proposed amendments and the correspondence were ordered to be printed in the RECORD, as follows:

U.S. ATOMIC ENERGY COMMISSION,
Washington, D.C., June 9, 1964.

Hon. JOHN O. PASTORE,
Chairman, Joint Committee on Atomic Energy,
Congress of the United States.

DEAR SENATOR PASTORE: Pursuant to section 123c of the Atomic Energy Act of 1954, as amended, there are submitted with this letter:

(a) An executed amendment to the Agreement for Cooperation Between the Government of the United States of America and the Government of the Kingdom of Greece Concerning Civil Uses of Atomic Energy;

(b) A copy of a letter from the Commission to the President recommending approval of the amendment; and

(c) A copy of a letter from the President to the Commission containing his determination that its performance will promote and will not constitute an unreasonable risk to the common defense and security, approving the amendment and authorizing its execution.

The amendment, which has been negotiated by the Atomic Energy Commission and the Department of State pursuant to the Atomic Energy Act of 1954, as amended, modifies and extends the Agreement for Cooperation with the Kingdom of Greece which was signed at Washington on August 4, 1955, as amended by the agreements signed on June 11, 1960, April 3, 1962, and June 22, 1962.

Under articles I and II of the amendment, the word "lease" as it appears in article II A and D of the agreement is changed to the word "transfer" and in article VI C of the agreement, the word "leased" is changed to the word "transferred" in order to permit either the lease or sale of enriched uranium for fueling defined research reactors. There is no immediate intent on the part of the Commission to change its policy of leasing fuel for research reactors. However, this change will permit the Commission flexibility to lease or sell such fuel should unforeseen circumstances require a change in that policy during the 10-year extension of the agreement.

Article I of the amendment also adds to article II of the agreement provisions with respect to the retention of title by the Government of the Kingdom of Greece to fuel purchased under the agreement, and with respect to rights in special nuclear material produced as a result of the irradiation processes. In addition, article I of the amendment modifies article II of the agreement to make provision for the reprocessing of source or special nuclear material received from the United States to be performed in other than Commission facilities. These same provisions are contained in agreements for cooperation with other countries.

Article III of the amendment provides for the Government of the United States of America and the Government of the Kingdom of Greece to promptly request the International Atomic Energy Agency to assume responsibility for applying safeguards to materials and facilities subject to safeguards under the agreement. The transfer of this

responsibility to the agency would be accomplished without further modification of the agreement by means of a trilateral agreement to be negotiated between the United States, Greece, and the agency.

Article IV of the amendment extends the agreement for a period of 10 years beyond its expiration date of August 3, 1964.

The amendment will enter into force when the two Governments have exchanged written notifications that their respective statutory and constitutional requirements have been fulfilled.

Sincerely,

GLENN T. SEABORG,
Chairman.

AMENDMENT TO AGREEMENT FOR COOPERATION BETWEEN THE GOVERNMENT OF THE UNITED STATES OF AMERICA AND THE GOVERNMENT OF THE KINGDOM OF GREECE CONCERNING CIVIL USES OF ATOMIC ENERGY

The Government of the United States of America and the Government of the Kingdom of Greece,

Desiring to amend the Agreement for Cooperation Between the Government of the United States of America and the Government of the Kingdom of Greece Concerning Civil Uses of Atomic Energy, signed at Washington on August 4, 1955 (hereinafter referred to as the "Agreement for Cooperation"), as amended by the Agreements signed at Washington on June 11, 1960, April 3, 1962, and June 22, 1962;

Agree as follows:

ARTICLE I

Article II of the Agreement for Cooperation, as amended, is further amended as follows:

1. Substitute the word "transfer" for the word "lease" wherever said word appears in paragraph A.

2. The following new sentence is added at the end of paragraph B:

"It is understood and agreed that although the Government of the Kingdom of Greece may distribute uranium enriched in the isotope U²³⁵ to authorized users in Greece, the Government of the Kingdom of Greece will retain title to any uranium enriched in the isotope U²³⁵ which is purchased from the Commission at least until such time as private users in the United States of America are permitted to acquire title in the United States of America to uranium enriched in the isotope U²³⁵."

3. Paragraph C is hereby amended to read as follows:

"C. It is agreed that when any source or special nuclear material received from the United States of America requires reprocessing, such reprocessing shall be performed at the discretion of the Commission in either Commission facilities or facilities acceptable to the Commission, on terms and conditions to be later agreed; and it is understood, except as may be otherwise agreed, that the form and content of any irradiated fuel shall not be altered after its removal from the reactor and prior to delivery to the Commission or the facilities acceptable to the Commission for reprocessing."

4. Delete the word "lease" as said word appears in paragraph D and substitute in lieu thereof the word "transfer."

5. The following new paragraphs E and F are added to Article II:

"E. Special nuclear material produced in any part of fuel leased hereunder as a result of irradiation processes shall be for the account of the Government of the Kingdom of Greece, and after reprocessing as provided in paragraph C of this Article, shall be returned to the Government of the Kingdom of Greece, at which time title to such material shall be transferred to that Government, unless the Government of the United States of America shall exercise the option, which is hereby granted, to retain, with appropriate

tralia was doubling its force in South Vietnam. We pressed him for an explanation of what that meant. When he finished, I told the Secretary that he had insulted my intelligence and the intelligence of every American citizen. Australia will increase its manpower contingent from 40 to 60, but they are to be kept away from the combat zone.

Also, perhaps in 4 months, Australia may make available 6 cargo planes in which to send material to South Vietnam, but they are not too sure about that. My suspicion is that the planes will contain Australian material to be sold at a good profit.

Mr. GRUENING. This subject has been thoroughly aired by the senior Senator from Oregon. He has said again and again—and has brought it out in complete detail—how completely erroneous the predictions were.

A year ago, Secretary McNamara said we would withdraw our troops by 1965. That is now not likely to happen. We find such knowledgeable pundits as Walter Lippmann raising this very question as to whether our policy is not wholly misconceived. He has said, as I have, that this is not a war that can be won by military means. It is not a war that we can win.

The senior Senator from Oregon has repeatedly urged—and I second him in it—that we at least try to wage peace as vigorously as we are waging war.

Why not—and the senior Senator from Oregon and I have asked the question repeatedly—at least try to get the United Nations to move in with its peacemaking machinery?

Why not request a cease fire? Why not at least attempt to use the method and mechanics we have used to keep peace between Israel and Egypt, where a United Nations police force has kept the former border raids at a minimum and has prevented the local animosities from escalating into armed violence on a national scale?

We have tried it in the Congo. We are trying it in Cyprus. We may not be wholly successful there, but such efforts have so far forestalled a far greater conflict and disaster. If we can make the effort in Cyprus, where no Americans are involved, it would seem that there should be no reason why we ought not make the effort in southeast Asia, where American lives are daily being sacrificed.

Why not, I ask again, use the peace-keeping machinery of the United Nations? The American people would support such a policy. A great cheer would go up at such a move. I know this because my mail is overwhelmingly in favor of such a policy. On several occasions I have said that it has been running 100 to 1 in favor of it; but the ratio has grown beyond that and is now about 300 to 1.

I shall continue to urge this approach. I am confident that the senior Senator from Oregon will do the same. Sooner or later the facts will be borne in on the American public that this is a better way out of a troublesome, difficult, impossible situation, which President Johnson inherited.

Again, I compliment the senior Senator from Oregon. Almost alone, he has placed this issue before the American people. He has exposed it historically in every way. He has made a most forceful case. I hope the administration will take heed of his counsel and, whatever it may be doing in a military way temporarily, will not ignore, as it is now, the peacemaking aspects. It may well be that the administration feels it must make a show of strength before going to the peace table. Why not at least make the efforts simultaneously? Why not give peace preference to war?

Mr. MORSE. Mr. President, as we lawyers say, there are times when we rest our case. Nothing could be added to the eloquent, brilliant statement of the Senator from Alaska. I desire to have the RECORD show, so that the American people will know, that I look upon the great Senator from Alaska as one of my teachers, as a source of inspiration to me, as I serve shoulder to shoulder with him in the U.S. Senate.

His plea for the United States to seek a cease-fire order in Asia through the United Nations is unanswerable. That ought to be the course of action to be followed by our Government, rather than the course of action announced by the President at Minneapolis, Minn., yesterday.

AMENDMENT TO ALASKA OMNIBUS ACT—IF THE FEDERAL GOVERNMENT IS TO HELP RESTORE ALASKA AFTER ITS UNPRECEDENTED DISASTER, LET IT DO A COMPLETE JOB.

Mr. GRUENING. Mr. President, it is my understanding that S. 2881—the amendments to the Alaska Omnibus Act—is scheduled for floor action tomorrow.

The bill is a much-needed cleanup bill to provide various departments and agencies of the Federal Government with needed authority to bring relief to the stricken people of Alaska which has suffered the worst disaster that has befallen any State of the Union since the founding of our Republic.

We owe much to the dedicated efforts of many Federal officials who, in Alaska's hour of need, displayed a unique dedication to alleviate suffering.

President Johnson deserves special commendation for the speed and determination he displayed so soon after the disaster struck on Good Friday last. He also is deserving of the thanks of the people of Alaska for his continued and continuous interest in the problems of the people of Alaska since then. His compassion and understanding will be long remembered by the citizens of my State.

Another individual who deserves high commendation is Mr. Edward McDermott, Director, Office of Emergency Planning in the President's Office. He mobilized his forces within hours after the earthquake and resulting seismic waves struck Alaska. He took personal charge of the situation and has labored

long and hard to bring order out of chaos in Alaska. I am pleased to learn that Mr. McDermott has decided to postpone his departure from Washington. His is the type of dedicated and effective public servant much needed here in the Nation's Capital. We need more like him.

I wish to praise also the efforts of Mr. Eugene Foley, Administrator of the Small Business Administration. He has worked quickly and well in trying to minimize the distress to the private sector of Alaska's economy. Within days after the disaster, Mr. Foley was in Alaska mobilizing his forces there to provide disaster loans to the Alaska people.

Mr. Foley and I have had our differences over interest rates charged on disaster loans. But the fact that I believe he should make available to the people of Alaska disaster loans at interest rates at least as low as those given under our foreign aid program—three-fourths of 1 percent per annum—and Mr. Foley does not agree, should not minimize the fact that Mr. Foley and his people have worked tirelessly for the stricken people of Alaska.

Mr. President, it is unfortunately impossible to name the literally hundreds of dedicated Federal employees who have worked to bring relief to the people of Alaska and to enable them to try to make the fullest possible recovery. To them, on behalf of the people of Alaska, I wish to say "Thank you for a job well done."

In the individual views I submitted at the time the report on S. 2881 was filed, I indicated three areas in which the bill brings no relief and where I strongly believe relief should be granted.

The first area relates to urban renewal. The bill as reported, and following partial acceptance of an amendment I proposed, provides a 90-to-10 matching formula for areas other than Anchorage. There is no reason why Anchorage should be excluded. It has had a goodly portion of its income base destroyed and will have difficulty meeting a 75-to-25 matching formula. Those responsible for Anchorage's future, knowledgeable about its potentials, so assert. The difference is small \$4 million. But it is small only by national standards. It is large—very large—by Anchorage standards, especially in light of the report issued at the end of last week indicating that Anchorage is facing a \$4 to \$8 million additional bill for shoring up the business district of Anchorage. This is further evidence that we have not yet fully appraised the extent of Alaska's disaster.

I ask unanimous consent that a news article on this latest development be printed at the conclusion of my remarks.

The PRESIDING OFFICER. Is there objection to the request by the Senator from Alaska? The Chair hears none, and it is so ordered.

(See exhibit 1.)

Mr. GRUENING. Mr. President, the second defect in the bill as reported is that it deals with owners of FHA-insured homes on a discriminatory basis. The owner of a FHA-insured home which was completely destroyed or severely damaged can have his mortgage indebtedness forgiven on payment of

\$1,000, only if the mortgage is being held by the Federal National Mortgage Association. If it is not—and 120 such mortgages are not held by Fannie Mae—there can be no forgiveness. This, I believe, is unfair to that number of innocent and deserving victims of the earthquake. In providing relief, persons in the same situation should be treated alike.

The third defect of the bill as reported lies in the interest rate to be charged on State of Alaska bonds which the Housing and Home Finance Agency by the terms of this bill is authorized to purchase. The rate to be charged is 3½ percent per annum. I contended that the rate should be at least the same as that charged foreign governments under our foreign assistance program—namely, three-fourths of 1 percent per annum with no repayment of principal for the first 10 years of the loan.

In the other body, the House committee has reported a companion measure—H.R. 11438—in which all three of these defects have been remedied. The committee has not gone all the way on interest rates on the State of Alaska bonds but has lowered such rates to 3 percent with a moratorium on the repayment of principal for 10 years.

I am submitting an amendment today for consideration tomorrow which would conform the Senate bill—S. 2881, as reported—to the House bill, as reported.

I ask unanimous consent that my individual views on S. 2881, as well as my amendment, No. 1080, be printed in full at the conclusion of my remarks, and that my amendment be printed and lie at the desk.

The PRESIDING OFFICER. Without objection, the amendment will be received and printed, and will lie on the table; and the individual views will be printed in the RECORD.

The amendment referred to is as follows:

On page 4 delete lines 22 through 24.

On page 5, line 1, delete through the comma following the word "Seldovia".

On page 6, lines 15 and 16, delete the figure "\$25,000,000" and the quotation mark at the end thereof and insert in lieu thereof the following: "\$25,000,000: *Provided further*, That the terms of repayment of such securities and obligations or loans shall be as follows: Repayment of the principal sum in fifty years from the date of the borrowing payable in equal annual payments beginning ten years after the money is lent at an annual interest rate not to exceed 3 percent on the unpaid balance."

On page 6, between lines 16 and 17, insert the following new section:

"PURCHASE OF HOME MORTGAGES"

"SEC. 57. The Federal National Mortgage Association is authorized to repurchase at a cost not to exceed par any home mortgage insured by the Federal Housing Administration which is secured by property in Alaska which was lost, destroyed, or severely damaged as a result of the 1964 earthquake or subsequent seismic waves. Any such purchase shall be made from funds available to the Association for carrying out its special assistance functions pursuant to section 305 of the National Housing Act; except that the aggregate amount of such purchases shall not exceed \$10,000,000."

On page 6, line 25, Insert the following: "The total amount authorized to be appro-

priated pursuant to this section shall not exceed \$50,150,000."

On page 7, after line 5, insert the following new section:

"REPORTING"

"SEC. 7. The President shall report semi-annually during the term of this Act to the President of the Senate and the Speaker of the House on the actions taken under this Act by the various Federal agencies. The first such report shall be submitted not later than February 1, 1965, and shall cover the period ending December 31, 1964."

The individual views of Mr. GRUENING were ordered to be printed in the RECORD, as follows:

INDIVIDUAL VIEWS OF MR. GRUENING

The State of Alaska and its citizens are highly appreciative of and deeply moved by the sympathetic response of the people of the rest of the United States to the damage and distress resulting from the Good Friday earthquake and resulting seismic waves.

This bill represents yet another step in the process of Federal aid to the stricken State of Alaska and its people. Its provisions are sorely needed and will be thankfully received.

During the consideration of this bill by the committee, I offered a number of amendments. Senator ANDERSON, in his capacity as a member of the committee, as chairman of the Special Committee of the Whole which held hearings on the bill, and as Chairman of the Federal Reconstruction and Development Planning Commission for Alaska, opposed all the amendments I offered.

One amendment was adopted by the committee. One amendment was limited in scope. The other amendments were tabled. It is important that the record clearly state my objectives in offering these amendments and what they sought to accomplish.

These were not unreasonable attempts to secure everything possible for the State of Alaska and its people from the Federal Treasury. Far from being an attempted raid on the Federal Treasury, it was an attempt to maximize the effectiveness of the Federal aid already given and to be given. The old adage "For want of a nail * * * the kingdom was lost" is particularly appropriate to this situation.

With 50 percent of the income base of the State of Alaska gone, the task is to rehabilitate the private sector of the economy to bring the tax revenues flowing back to the State government as soon as possible so that it can resume normal functions. Incidentally, the renewal of such flow would also produce Federal tax revenues.

What does it profit the Federal Government to dangle the carrot of urban renewal—badly needed—before the people of Anchorage at matching rates which they simply cannot afford because their tax base has been crippled by the earthquake?

What justice and equity is there in a policy of the Federal Government making the forgiveness of the mortgage indebtedness of an Alaskan FHA-insured homeowner whose home is destroyed or severely damaged depend on whether the Federal National Mortgage Association has or has not resold the mortgage to a private lending institution?

How can the Federal Government justify charging the State of Alaska 3¾ percent interest on the \$25 million to be loaned to it while lending billions to scores of foreign nations at three-quarters of 1 percent interest?

To correct these injustices and to make practical the Federal aid to be given, I offered in committee three amendments.

Two amendments were tabled. The third was severely limited.

The amendments are discussed in detail below.

1. URBAN RENEWAL (AMENDMENT NO. 801)

In disaster areas, urban renewal can normally be financed with 75 percent Federal funds and 25 percent State and local funds. In Alaska, because of the severe losses in several communities of property and income tax bases and the 50-percent loss by the State of its own tax base, financing urban renewal projects on a 75-to-25 ratio would be a practical financial impossibility.

My amendment would have permitted the Administrator of the Housing and Home Finance Agency to permit Federal matching for urban renewal projects in disaster areas up to 90 percent. Senator ANDERSON opposed the amendment.

The 90-to-10 matching proposal was originally made by the HHFA, but was not approved in the draft of the bill sent to the President by Senator ANDERSON.

The amount involved is small—at most a difference of only \$6 million. But to the stricken communities which had had their tax bases literally wiped out this amount can make the difference between their ability to recover or not.

Thus to the town of Kodiak it means the difference between its share being \$1,993,608 or being \$797,443—a difference of \$1,196,165. This is 1½ times the total revenue (\$747,602) of Kodiak in fiscal year 1963.

The committee accepted my amendment, but limited it to communities under 6,000 population.

The committee thus excluded the city of Anchorage on the recommendation of Senator ANDERSON who expressed his belief that Anchorage could afford to pay 25 percent as its share of matching, despite the statements to the contrary by the mayor of Anchorage, the Governor of Alaska, and the Alaska congressional delegation.

By excluding Anchorage from the more favorable matching terms of 90 to 10, the urban renewal program in Anchorage will cost an additional \$4,390,000. This is about one-third of the total anticipated 1964 revenue for Anchorage.

Since the news of the committee's action was announced, the city of Anchorage has again reiterated its position that it cannot go ahead with its urban renewal plans on a 75-to-25 basis.

What does the Federal Government gain by killing urban renewal in Anchorage? It is being penny wise and pound foolish. It is insuring that the tax base in Anchorage will not rebound for many additional years, thereby keeping tax returns depressed for many additional years. The growth of Anchorage would be much slower and the tax returns lost to the Federal Government by this parsimonious action will be many times the \$4 million involved.

And the ironic part of this committee action is that my amendment was discretionary only. It set 90 percent as the maximum. The matching ratio could be set at any figure from 75 to 90 percent by the Administrator of the Housing and Home Finance Agency after careful evaluation of the financial abilities of Anchorage to pay.

Attempting to saddle the stricken city of Anchorage with an additional financial burden on the basis of guesstimate of its financial condition runs contrary to the facts cited by knowledgeable State and local officials and is unfair, unjust, and inequitable.

The total cost of this amendment is only \$4,390,000.

2. FORGIVENESS FOR FHA-INSURED HOMEOWNERS (AMENDMENT NO. 870)

Another amendment which I proposed would permit the Federal National Mortgage Association (Fannie Mae) to buy at par mortgages on FHA-insured homes in Alaska which were destroyed or severely damaged where the mortgages are not held by Fannie Mae.

Under existing HHFA policies, FHA mortgages on homes severely damaged or destroyed in Alaska can be forgiven upon the payment of \$1,000 provided the mortgages are held by Fannie Mae. Some of these mortgages were purchased by Fannie Mae out of its special assistance fund. Some FHA mortgages on such houses are still held by banks, never having been purchased by Fannie Mae. Some were purchased by Fannie Mae and resold.

This amendment would have done equity among FHA-insured homeowners in Alaska whose homes were destroyed or severely damaged. The homeowner could not control the sale to or the purchase by Fannie Mae of his mortgage. Nor could the homeowner control the resale of his mortgage by Fannie Mae. That was purely a matter of chance.

Without this amendment, Alaska homeowners in the same circumstances will be dealt with unfairly.

This is not a question of rescuing the banks holding the mortgages, but rather rescuing the homeowners who gave the mortgages. Banks cannot forgive a legal indebtedness without making every effort to collect. Forgiveness would not be permitted by the State banking commissioner. Forgiveness would not be permitted by the Internal Revenue Service as a writeoff as for a bad debt. Collection of any disaster insurance carried by any of the banks is also dependent on diligent efforts to collect the indebtedness.

The result will therefore be that many homeowners in Alaska having FHA-insured mortgages may have to go through bankruptcy in order for the banks to prove that they took diligent steps to collect the indebtedness. Others may be saddled with double indebtednesses.

This could be happening while a next door neighbor, whose FHA-insured house was also destroyed, could obtain forgiveness solely because of the chance that the FHA-insured mortgage had been purchased by Fannie Mae and not resold.

This amendment was supported by the National Association of Mutual Savings Banks in the following communication:

NATIONAL ASSOCIATION OF
MUTUAL SAVINGS BANKS,
New York, N.Y., June 10, 1964.

HON. HENRY M. JACKSON,
U.S. Senate, Washington, D.C.

DEAR SENATOR JACKSON: This is in response to your letter of June 4 and telegram of June 9 with respect to the problems and proposed legislation (S. 2881) concerning Alaskan properties damaged by the recent earthquake. I am pleased to have the opportunity to comment on these matters and to offer you precise information on the volume and status of Alaskan mortgage loans held by mutual savings banks.

You will note from the attached exhibits based on a direct survey made by our national association as of April 30, 1964, that 14 mutual savings banks in 7 States held 2,778 mortgage loans in Alaska, amounting to \$61,550,000. The bulk of these loans are insured by the Federal Housing Administration and are on one- to four-family properties. Only 32 loans totaling \$884,000 were secured by properties destroyed or beyond repair. As you can see, such loans account for only a little over 1 percent of the total—both number and amount.

Our information is that 4 of the 14 savings banks, having loans in Alaska, are covered by all-risk insurance. The coverage and terms of this insurance are not precisely known to us, but in at least one case, we know that the savings bank must take every legal action to recover whatever it can directly from the borrower before insurance proceeds are disbursed.

With respect to S. 2881, we urge the adoption of the amendment offered by Senator GRUENING, proposing a new section 57 authorizing the Federal National Mortgage Association to purchase FHA-insured loans, in an amount not to exceed \$10 million, on Alaskan properties destroyed or irreparably damaged as a result of the earthquake. This proposal is in line with the suggestion made

in our letter of May 14, 1964, to Dr. Robert Weaver, Administrator of the Housing and Home Finance Agency, a copy of which was sent to you. As noted in that letter, current Federal actions provide relief only for those home mortgagors whose mortgage contracts happen to be held by FNMA or VA. Other home mortgagors, whose homes have been destroyed or irreparably damaged, but whose mortgage obligations are held by private lenders are being ignored. The Gruening amendment would go a long way toward correcting this inequity.

While we are aware that it is impossible to resolve all inequities arising out of tragic disasters, I hope you will agree that the Government should not knowingly discriminate among its citizens when it can readily avoid doing so. And the Gruening amendment offers an opportunity to deal more equitably with the plight of Alaskan homeowners than the proposals made and actions taken to date.

We urge the incorporation of section 57 in S. 2881, not only because of equity considerations to mortgage borrowers, but equally important because of the great needs Alaska has for expanded flows of private capital. Such capital will not be forthcoming unless private investors have confidence in the willingness and ability of the Federal Government to proceed equitably and imaginatively in dealing with emergency situations. The citizens of Alaska are able and willing to rebuild their State stronger than ever before and this can be done most effectively only through an accelerated flow of private capital.

In sum, the Gruening amendment appears eminently fair and feasible. We urge that you support it, not out of selfish concern for our industry—which you can see from the enclosed statistics stands to suffer only inconsequential losses—but out of broader considerations for the longer run welfare of Alaska and its citizens.

Thank you for your consideration of this letter.

Sincerely yours,
GROVER E. ENSLEY,
Executive Vice President.

NATIONAL ASSOCIATION OF MUTUAL SAVINGS BANKS

TABLE 1.—Mortgage loans held by mutual savings banks on properties in Alaska, Oct. 31, 1962, and Apr. 30, 1964

(Dollar amounts in thousands)

Savings bank State	Oct. 31, 1962							Savings bank State	Apr. 30, 1964						
	Number of banks	Total		Type of loan					Number of banks	Total		Type of loan			
				FHA		Conventional						FHA		Conventional	
		Number	Amount	Number	Amount	Number	Amount			Number	Amount	Number	Amount	Number	Amount
New York.....	4	911	\$23,273	911	\$23,273	-----	-----	New York.....	5	1,489	\$35,153	1,489	\$35,153	-----	-----
Massachusetts.....	2	46	634	46	634	-----	-----	Massachusetts.....	3	230	6,269	230	6,269	-----	-----
Other ¹	4	186	4,730	61	1,477	125	\$3,253	Washington.....	2	111	1,579	-----	-----	111	\$1,579
Total.....	10	1,143	28,637	1,018	25,384	125	3,253	Other ²	4	948	18,649	415	10,444	533	8,105
								Other.....	14	2,778	61,550	2,134	51,866	644	9,684

¹ Includes Alaska, Minnesota, Rhode Island, and Washington.

² Includes Alaska, Minnesota, Rhode Island, and Pennsylvania.

NOTE.—There were no holdings of VA guaranteed loans reported. Data were obtained by a direct survey made by the National Association of Mutual Savings Banks.

TABLE 2.—Mortgage loans held by mutual savings banks on properties located in Alaska—Total and loans affected by property damage, by type of loan and property, Apr. 30, 1964

[Amounts in thousands of dollars]

Type of loan and property	Total loans held		Estimated number and amount of loans affected by property damage							
	Number	Amount	Loans on property destroyed or beyond repair				Loans on property incurring lesser damage			
			Number		Amount		Number		Amount	
			Total	Percent of total held	Total	Percent of total held	Total	Percent of total held	Total	Percent of total held
FHA insured.....	2,134	51,866	28	1.3	777	1.5	147	6.9	3,711	7.2
1- to 4-family.....	2,132	49,496	28	1.3	777	1.6	147	6.9	3,711	7.5
Multifamily.....	2	2,370								
VA guaranteed.....										
Conventional.....	644	9,684	4	.6	107	1.1	44	6.8	826	8.5
Total.....	2,778	61,550	32	1.2	884	1.4	191	6.9	4,537	7.4

NOTE.—See note to table 1.

By its terms, the total cost of this amendment was limited to \$10 million. The funds would come from Fannie Mae's special assistance funds—the very fund originally used by Fannie Mae to purchase some of the FHA-insured mortgages on Alaska homes. Through June 11, 1964, there had been authorized under the Fannie Mae special assistance funds over \$2 billion, of which \$181,756,000 had not yet been allocated. The amount involved in this amendment is therefore less than 6 percent of the total Fannie Mae special assistance fund available for allocation and would in no way disturb allotments already made for other special assistance functions.

The adoption of this amendment could do much to relieve the approximately 120 Alaska homeowners thus discriminated against from heavy debt burdens and possible bankruptcy. As one homeowner wrote me: "A great many of us are still expecting the Federal Government through FNMA to purchase the FHA guaranteed loans that are in the slide area in Turnagain. FNMA did offer to buy the loans that they have in their portfolio, but these number but a few. This seems to be a lopsided situation with a few people getting the benefit of having their loans with FNMA where some others have their loans in private portfolios."

Simple justice would have dictated the acceptance of my amendment. This amendment was also opposed by Senator ANDERSON and was tabled.

3. INTEREST ON FEDERAL FUNDS LOANED THE STATE OF ALASKA (AMENDMENT NO. 380)

Another amendment I offered would have reduced the interest rate on bonds issued by the State of Alaska for reconstruction of disaster damage, and purchased by the Housing and Home Finance Agency, to three-quarters of 1 percent, repayable in 50 years with a moratorium on repayment of principal for the first 10 years.

The bill provides for a rate of interest of 3½ percent (3¼ percent after July 1) with a repayment schedule of 40 years and no moratorium.

Immediately after the Good Friday disaster, the Legislature of the State of Alaska—as an indication of its willingness to do all within its means to undertake the issuance of \$50 million worth of general revenue bonds. However, 50 percent of Alaska's economic base was destroyed by the earthquake and bond experts now state that State bonds can only be marketed now at an interest rate of considerably more than 3½ percent.

At an interest rate of 3½ percent, interest on \$25 million of State bonds over the course of 40 years would cost the State of Alaska more than \$18 million. If the interest rate could be reduced to three-quarters of 1 percent, with a moratorium on repayment of principal for the first 10 years, and repayment spread over 50 years, the saving to the State of Alaska would be almost \$13 million

and the repayment terms would be more within the means of the State.

What I suggested to the committee was that the Federal Government loan Federal funds to the State of Alaska at the same terms on which it makes loans to foreign countries under the foreign assistance program.

There are several reasons in support of this suggestion.

In the first place, the foreign loans are made at three-fourths of 1 percent interest whether or not there had been a disaster in the foreign country. Alaska has suffered a major disaster and should be entitled to at least equal treatment.

In the second place, there is no doubt that the loan to the State of Alaska will be repaid to the Federal Government. On the basis of past experience, there is considerable doubt that the foreign loans will ever be repaid to the United States.

In the third place, the loan to the State of Alaska generates tax revenues. Our loans to foreign countries produce revenues for those foreign countries, not for the United States.

In the calendar year 1963 alone, AID made loans in the amount of over \$1 billion to 35 foreign countries at terms of three-fourths of 1 percent interest, moratorium of 10 years on the repayment of principal, and repayment of principal in 40 years. (See list below.)

Loans made by the Agency for International Development to foreign countries during calendar year 1963 at ¾ of 1 percent for 40 years¹

LATIN AMERICA

[Repayable in dollars]

Country and borrower	Purpose	Date of loan agreement	Number of years repayment	Interest rate	Amount of loan
Argentina:					
Government of Argentina.....	Central housing bank.....	June 3, 1963	40	¾	\$12,500,000
Do.....	Route 12 road project.....	Jan. 21, 1963	40	¾	6,700,000
Do.....	Road program loan.....	Mar. 18, 1963	40	¾	30,500,000
Do.....	Feasibilities studies.....	June 3, 1963	40	¾	3,000,000
Do.....	Grain storage facilities.....	Oct. 10, 1963	40	¾	21,700,000
Bolivia:					
Government of Bolivia.....	Access roads.....	Aug. 1, 1963	40	¾	7,200,000
Do.....	La Paz-El Alto Highway.....	Aug. 17, 1963	40	¾	3,400,000
Do.....	El Alto Customs Center.....	do.....	40	¾	2,200,000
Banco Industrial, S.A.....	Assist in financing subloans.....	do.....	40	¾	2,400,000
Government of Bolivia.....	Agricultural bank.....	do.....	40	¾	3,700,000
Brazil:					
Credito E. Financiamento, S.A.....	Development bank.....	Mar. 6, 1963	40	¾	4,000,000
CIA de Carbonos Coloidois.....	Carbon black plant.....	Mar. 11, 1963	40	¾	2,000,000
Government of Brazil.....	Emergency stopgap assistance.....	Apr. 24, 1963	40	¾	25,500,000
Super Desenvolvimento, N.E.....	Emergency electric power.....	Oct. 29, 1963	40	¾	2,400,000
Chile: Government of Chile.....	Development program.....	Jan. 31, 1963	40	¾	35,000,000
Colombia:					
Government of Colombia.....	Feasibility studies.....	June 26, 1963	40	¾	4,000,000
National Housing Institute of Colombia.....	Self-help housing.....	do.....	40	¾	7,500,000
Colombia Institute of Agrarian Reform.....	Supervised AG credit.....	do.....	40	¾	10,000,000
Government of Colombia.....	Mineral resources survey.....	Sept. 18, 1963	40	¾	2,000,000

Footnote at end of table.

Loans made by the Agency for International Development to foreign countries during calendar year 1963 at $\frac{3}{4}$ of 1 percent for 40 years — Continued

LATIN AMERICA

[Repayable in dollars]

Country and borrower	Purpose	Date of loan agreement	Number of years repayment	Interest rate	Amount of loan
Costa Rica:					
Banco Nacional de Costa Rica.....	Agricultural development.....	July 23, 1963	40	$\frac{3}{4}$	\$5,000,000
Republic of Costa Rica.....	Slum replacement housing.....	do.....	40	$\frac{3}{4}$	2,000,000
Do.....	Cachi hydroelectric project.....	do.....	40	$\frac{3}{4}$	1,500,000
Do.....	Metro emergency water supply.....	do.....	40	$\frac{3}{4}$	1,400,000
Do.....	IBRC/AIC highway program.....	do.....	40	$\frac{3}{4}$	2,100,000
C.O.F.I.S.A.....	Financing subloans.....	Dec. 23, 1963	40	$\frac{3}{4}$	5,000,000
Dominican Republic: National Housing Bank.....	Savings and loan association.....	Jan. 2, 1963	40	$\frac{3}{4}$	2,100,000
Ecuador:					
Government of Ecuador.....	Quito-Quevede Rd.....	Sept. 1, 1963	40	$\frac{3}{4}$	2,700,000
Do.....	Economic and engineering studies.....	Sept. 4, 1963	40	$\frac{3}{4}$	2,000,000
Do.....	Administrative and fiscal reform.....	Sept. 2, 1963	40	$\frac{3}{4}$	1,600,000
El Salvador:					
Republic of El Salvador.....	Primary school construction.....	Sept. 18, 1963	40	$\frac{3}{4}$	2,400,000
Do.....	Agricultural loan program.....	do.....	40	$\frac{3}{4}$	8,900,000
Do.....	INSAFI.....	do.....	40	$\frac{3}{4}$	4,500,000
Honduras: Government of Honduras.....	Small water systems.....	Aug. 22, 1963	40	$\frac{3}{4}$	1,050,000
Jamaica: Government of Jamaica.....	Project assistance.....	Nov. 29, 1963	40	$\frac{3}{4}$	1,500,000
Nicaragua: Government of Nicaragua.....	Las Mercedes Airport.....	July 25, 1963	40	$\frac{3}{4}$	1,000,000
Panama: Instituto de Acueductos.....	Water supply and sewerage system.....	Feb. 6, 1963	40	$\frac{3}{4}$	6,000,000
Peru:					
Government of Peru.....	Lima water sewerage.....	Mar. 15, 1963	40	$\frac{3}{4}$	8,600,000
Do.....	Feasibility studies.....	do.....	40	$\frac{3}{4}$	3,000,000
Uruguay: Banco Hipotecario del Uruguay.....	Home construction.....	Feb. 28, 1963	40	$\frac{3}{4}$	6,000,000
Venezuela:					
C.A. Bank for Economic Integration.....	Feasibility studies.....	Nov. 29, 1963	40	$\frac{3}{4}$	2,500,000
Do.....	Home loan department.....	do.....	40	$\frac{3}{4}$	10,000,000

FAR EAST

Korea: Government of Korea.....	Changsong coal mine district.....	Dec. 7, 1963	40	$\frac{3}{4}$	9,500,000
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NEAR EAST AND SOUTH ASIA

Afghanistan:					
Government of Afghanistan.....	Ariana Afghan Airlines.....	Mar. 23, 1963	40	$\frac{3}{4}$	2,625,000
Do.....	Transport equipment.....	Dec. 3, 1963	40	$\frac{3}{4}$	2,000,000
India:					
Government of India.....	Ramagundam thermal power.....	May 21, 1963	40	$\frac{3}{4}$	8,400,000
Do.....	Delhi C thermal power.....	Mar. 8, 1963	40	$\frac{3}{4}$	16,000,000
Do.....	Satpura thermal power.....	do.....	40	$\frac{3}{4}$	25,100,000
Do.....	Central Ropeway F project.....	Oct. 21, 1963	40	$\frac{3}{4}$	7,700,000
Do.....	Nonproject imports.....	Feb. 25, 1963	40	$\frac{3}{4}$	240,000,000
Do.....	Chandrapura thermal stage II.....	Oct. 21, 1963	40	$\frac{3}{4}$	16,000,000
Do.....	5th railway loan.....	do.....	40	$\frac{3}{4}$	15,850,000
Do.....	Cugra coal washery plant.....	Nov. 29, 1963	40	$\frac{3}{4}$	5,100,000
Do.....	Tarapur nuclear power.....	Dec. 7, 1963	40	$\frac{3}{4}$	80,000,000
Nepal: Government of Nepal.....	Nepal Industrial Development Corp.....	Dec. 8, 1963	40	$\frac{3}{4}$	1,000,000
Pakistan:					
Government of Pakistan.....	Sawmill and timber extraction.....	Oct. 23, 1963	40	$\frac{3}{4}$	2,200,000
Do.....	Malaria eradication program.....	Feb. 28, 1963	40	$\frac{3}{4}$	3,800,000
Do.....	Airport and airways equipment.....	Mar. 22, 1963	40	$\frac{3}{4}$	2,100,000
Do.....	Salin Cont. and Reclamation Project No. 2.....	do.....	40	$\frac{3}{4}$	10,800,000
Do.....	General commodities 2d.....	Mar. 27, 1963	40	$\frac{3}{4}$	30,000,000
Do.....	Chaina anchorage project.....	Mar. 22, 1963	40	$\frac{3}{4}$	3,600,000
Do.....	Feasibility studies.....	Mar. 27, 1963	40	$\frac{3}{4}$	2,000,000
Do.....	CPS and Maini-Rechna DCAB project.....	Aug. 15, 1963	40	$\frac{3}{4}$	750,000
Do.....	Coastal embankment project.....	do.....	40	$\frac{3}{4}$	6,500,000
Do.....	General consultants.....	do.....	40	$\frac{3}{4}$	4,500,000
Do.....	3d commodity loan.....	Sept. 28, 1963	40	$\frac{3}{4}$	70,500,000
Do.....	General services in public health.....	Dec. 9, 1963	40	$\frac{3}{4}$	1,500,000
Do.....	Investigative services.....	Nov. 20, 1963	40	$\frac{3}{4}$	5,600,000
Do.....	5th railway loan.....	do.....	40	$\frac{3}{4}$	14,500,000
Do.....	Telecommunication expansion.....	Oct. 23, 1963	40	$\frac{3}{4}$	4,700,000
Do.....	Machinery pool organization, WAPCA.....	Dec. 9, 1963	40	$\frac{3}{4}$	5,000,000
Do.....	Mechanical equipment.....	Nov. 20, 1963	40	$\frac{3}{4}$	1,500,000
Turkey:					
Government of Turkey.....	Keban and Cicerov feasibility studies.....	July 15, 1963	40	$\frac{3}{4}$	350,000
Do.....	Feasibility studies.....	Oct. 15, 1963	40	$\frac{3}{4}$	3,000,000
Do.....	General commodities.....	Sept. 11, 1963	40	$\frac{3}{4}$	35,000,000
United Arab Republic (Egypt):					
Government of United Arab Republic.....	Cairo west power project.....	Feb. 20, 1963	40	$\frac{3}{4}$	30,600,000
Do.....	Cardborad project.....	Nov. 12, 1963	40	$\frac{3}{4}$	5,700,000

AFRICA

Cameroon: Government of Cameroon.....	Extension of railway system.....	Aug. 27, 1963	40	$\frac{3}{4}$	9,200,000
Ethiopia: Government of Ethiopia.....	3d highway program.....	Dec. 2, 1963	40	$\frac{3}{4}$	4,000,000
Ivory Coast: Government of Ivory Coast.....	Highway equipment.....	Nov. 29, 1963	40	$\frac{3}{4}$	1,700,000
Liberia:					
Government of Liberia.....	National medical center.....	Dec. 5, 1963	40	$\frac{3}{4}$	5,300,000
Monrovia Power Authority.....	MT coffee hydroelectric project.....	Sept. 26, 1963	40	$\frac{3}{4}$	24,300,000
Government of Liberia.....	Monrovia Junior-Senior High School.....	Oct. 23, 1963	40	$\frac{3}{4}$	1,700,000
Mali:					
Government of Mali.....	Teachers training college.....	Dec. 4, 1963	40	$\frac{3}{4}$	2,100,000
Do.....	Central Veterinary Laboratory at Bamako.....	do.....	40	$\frac{3}{4}$	1,100,000
Niger: Government of Niger.....	Development band.....	Dec. 14, 1963	40	$\frac{3}{4}$	500,000
Nigeria:					
Government of Nigeria.....	Ibadan water supply.....	Dec. 4, 1963	40	$\frac{3}{4}$	12,100,000
Do.....	Calabar-IKCM road.....	do.....	40	$\frac{3}{4}$	8,600,000
Somalia: Government of Somalia.....	Chisimale port.....	do.....	40	$\frac{3}{4}$	3,600,000

Footnote at end of table.

Loans made by the Agency for International Development to foreign countries during calendar year 1963 at $\frac{3}{4}$ of 1 percent for 40 years — Continued

AFRICA

[Repayable in dollars]

Country and borrower	Purpose	Date of loan agreement	Number of years repayment	Interest rate	Amount of loan
Sudan:					
Government of Sudan.....	Industrial development bank.....	July 14, 1963	40	$\frac{3}{4}$	\$2,000,000
Do.....	Khartoum sewerage.....	Dec. 7, 1963	40	$\frac{3}{4}$	3,800,000
Tanganyika					
Government of Tanganyika.....	Dar es Salaam water supply system.....	May 20, 1963	40	$\frac{3}{4}$	2,200,000
Do.....	URBAN water supplies.....	Dec. 4, 1963	40	$\frac{3}{4}$	1,300,000
Do.....	University college.....	Oct. 9, 1963	40	$\frac{3}{4}$	800,000
Do.....	Teacher training college.....	Dec. 4, 1963	40	$\frac{3}{4}$	800,000
Do.....	Commodity development training center.....	do.....	40	$\frac{3}{4}$	250,000
Do.....	Agricultural college.....	do.....	40	$\frac{3}{4}$	1,250,000
Do.....	Program loan.....	Dec. 6, 1963	40	$\frac{3}{4}$	1,000,000
Do.....	Electrical equipment.....	do.....	40	$\frac{3}{4}$	300,000
Tunisia:					
Government of Tunisia.....	Water and irrigation projects.....	Feb. 15, 1963	40	$\frac{3}{4}$	2,400,000
Do.....	Commodity assistance.....	June 20, 1963	40	$\frac{3}{4}$	15,000,000
Do.....	Construction of university.....	Oct. 31, 1963	40	$\frac{3}{4}$	1,800,000
Do.....	Agricultural equipment.....	do.....	40	$\frac{3}{4}$	6,500,000
Uganda:					
Government of Uganda.....	Development bank.....	Oct. 4, 1963	40	$\frac{3}{4}$	2,000,000
Do.....	Secondary schools.....	Oct. 11, 1963	40	$\frac{3}{4}$	2,400,000
Grand total for all countries.....					1,057,925,000

¹ Source: "Status of Loan Agreements" (W-224), Agency for International Development, as of Mar. 31, 1964, Office of the Controller, AID.

	Total amount
Argentina.....	\$74,400,000
Bolivia.....	18,900,000
Brazil.....	33,900,000
Chile.....	35,000,000
Colombia.....	23,500,000
Costa Rico.....	17,000,000
Dominican Republic.....	2,100,000
Ecuador.....	6,300,000
El Salvador.....	15,800,000
Honduras.....	1,050,000
Jamaica.....	1,500,000
Nicaragua.....	1,000,000
Panama.....	6,000,000
Peru.....	11,600,000
Uruguay.....	6,000,000
Venezuela.....	12,500,000
Korea.....	9,500,000
Afghanistan.....	4,625,000
India.....	414,150,000
Nepal.....	1,000,000
Pakistan.....	169,450,000
Turkey.....	38,350,000
United Arab Republic (Egypt).....	36,300,000
Cameroon.....	9,200,000
Ethiopia.....	4,000,000
Ivory Coast.....	1,700,000
Liberia.....	31,300,000
Mali.....	3,200,000
Niger.....	500,000
Nigeria.....	20,700,000
Somalia.....	3,600,000
Sudan.....	5,800,000
Tanganyika.....	7,900,000
Tunisia.....	25,700,000
Uganda.....	4,400,000
Total.....	1,057,925,000

Surely Alaska deserves these same terms.

The cost to the Federal Government of this amendment over the 50 years would be \$13 million, or \$260,000 per year. Not a large sum to the Federal Government, but a very large sum to a stricken State struggling to recover from the greatest disaster ever to strike any State of the Union.

For the reasons stated above, I must therefore reserve my position on this bill when it is called up for consideration by the Senate.

ERNEST GRUENING,
U.S. Senator.

EXHIBIT 1

[From the Anchorage (Alaska) Daily Times,
June 26, 1964]

STUDY SHOWS DOWNTOWN NEEDS DRAINS, BUTTRESSES FOR SAFETY—\$4 MILLION TO \$8 MILLION ESTIMATED FOR COST OF SOIL STABILIZATION WORK

A program of ground stabilization for the downtown business district—expected to cost between \$4 and \$8 million—was called for in a report given the city today by a team of Federal scientists and engineers.

The long-awaited report was the first of three to be issued on a months-long Anchorage area soils study started here after the March 27 earthquake. The study has been conducted by a team of consultants working for the U.S. Army Engineer District, Alaska, and the Federal Task Force 9.

Today's report continued the high risk designation for the downtown business district between E Street and Barrow and from the Alaska Railroad depot to the alley between Fifth and Sixth Avenues.

The remainder of the downtown area, from E Street to the Inlet and south along L Street, will be included in the second report scheduled to be released July 6. A third report, covering the Turnagain residential district, is to be made on July 11.

City officials were briefed on today's report at a meeting held with Corps of Engineers and Task Force 9 personnel at the office of Col. Kenneth Sawyer, Alaska district engineer.

Mayor George Sharrock and Lyman Woodman, acting city manager, led the delegation of councilmen and city department heads attending the briefing.

While the report continued the high risk designation for the Fourth Avenue slide area it said the classification could be reduced to a nominal risk category through a program of soil stabilization.

The program would include removal of unstable soil and replacement with more stable material, regarding, installation of drainage, and buttressing of the northern end of the slope area.

While the report did not include cost figures for such a program, preliminary unofficial estimates indicated it would run between \$4 and \$8 million.

The report is expected to be presented to Senator CLINTON ANDERSON, chairman of the Alaska Reconstruction Commission on his return to Washington Monday. The next step apparently will be an economic study of the feasibility of the proposed stabilization program and possible methods of financing.

Continuation of the "high risk" designation for the Fourth Avenue area apparently continues for the present the Federal Small Business Administration's freeze order on loans for new construction in the area. The freeze was announced earlier when a preliminary report first labeled the downtown area as a so-called high risk zone.

The slide areas were originally designated high risk in the preliminary report issued on May 19. That report was based on preearthquake reports and later surface studies. Since it was issued, an intensive program of core drilling has been underway to provide more complete data. Results of the drilling were incorporated in today's report.

The area covered in today's report includes the five-block section on the north side of Fourth Avenue between E and A Streets where business establishments were destroyed by the quake and slide. Also included is the Fifth Avenue location of the five-story J. C. Penney Co. building heavily damaged in the quake.

The Seattle engineering firm of Shannon and Wilson conducted the soils study which were the basis for today's report. Consultants for the study included Dr. L. Bjerrum of Norway, an expert on unstable clay; Dr. Ralph Peck, soils foundation scientist; Dr. Harry Seed, University of California scientist; Dr. A. Spence, of Vancouver, British Columbia, soil consultant; and Dr. Neil Twelker, Seattle soil consultant. Engineers on the staff of the Army Corps of Engineers and geologists with the U.S. Geological Survey also participated in the study.

AUTHORIZATION TO FILE REPORTS AND REPORTS OF INDIVIDUAL AND MINORITY VIEWS

Mr. MANSFIELD. Mr. President, I ask unanimous consent that committees of the Senate be permitted to file reports

S. 2881

IN THE SENATE OF THE UNITED STATES

JUNE 29, 1964

Ordered to lie on the table and to be printed

AMENDMENTS

Intended to be proposed by Mr. GRUENING to S. 2881, a bill to amend the Alaska Omnibus Act to provide assistance to the State of Alaska for the reconstruction of areas damaged by the earthquake of March 1964 and subsequent seismic waves, and for other purposes, viz:

1 (1) On page 4 delete lines 22 through 24.
2 On page 5, line 1, delete through the comma following
3 the word "Seldovia".

4 (2) On page 6, lines 15 and 16, delete the figure
5 "\$25,000,000" and the quotation mark at the end thereof
6 and insert in lieu thereof the following: "\$25,000,000:
7 *Provided further*, That the terms of repayment of such
8 securities and obligations or loans shall be as follows: Re-
9 payment of the principal sum in fifty years from the date
10 of the borrowing payable in equal annual payments begin-

1 ning ten years after the money is lent at an annual interest
2 rate not to exceed 3 per centum on the unpaid balance.”

3 (3) On page 6, between lines 16 and 17, insert the fol-
4 lowing new section:

5 “PURCHASE OF HOME MORTGAGES

6 “SEC. 57. The Federal National Mortgage Association
7 is authorized to repurchase at a cost not to exceed par any
8 home mortgage insured by the Federal Housing Adminis-
9 tration which is secured by property in Alaska which was
10 lost, destroyed, or severely damaged as a result of the 1964
11 earthquake or subsequent seismic waves. Any such pur-
12 chase shall be made from funds available to the Association
13 for carrying out its special assistance functions pursuant to
14 section 305 of the National Housing Act; except that the
15 aggregate amount of such purchases shall not exceed \$10,-
16 000,000.”

17 (4) On page 6, line 25, insert the following: “The total
18 amount authorized to be appropriated pursuant to this section
19 shall not exceed \$50,150,000.”

20 (5) On page 7, after line 5, insert the following new
21 section:

22 “REPORTING

23 “SEC. 7. The President shall report semiannually dur-
24 ing the term of this Act to the President of the Senate and the

1 Speaker of the House on the actions taken under this Act
2 by the various Federal agencies. The first such report shall
3 be submitted not later than February 1, 1965, and shall cover
4 the period ending December 31, 1964.”

S. 2881

AMENDMENTS

Intended to be proposed by Mr. GRUENING to S. 2881, a bill to amend the Alaska Omnibus Act to provide assistance to the State of Alaska for the reconstruction of areas damaged by the earthquake of March 1964 and subsequent seismic waves, and for other purposes.

JUNE 29, 1964

Ordered to lie on the table and to be printed

Digest of CONGRESSIONAL PROCEEDINGS

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

UNITED STATES DEPARTMENT OF AGRICULTURE

Washington, D. C. 20250

Official business

Postage and fees paid

U. S. Department of Agriculture

OFFICE OF
BUDGET AND FINANCE

(For information only;
should not be quoted
or cited)

Issued July 1, 1964

For actions of June 30, 1964

88th-2nd; No. 131

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HIGHLIGHTS: Senate passed: Food stamp bill; Alaska relief bill. Senate subcommittee approved poverty bill. Senate committee granted delay in filing report on Estes investigation. Sen. McCarthy commended public service of Cochrane. Senate made pay bill pending business. Senate received Schnittker's nomination to CCC Board. House received conference report on water resources research bill. House debated foreign aid appropriation bill. House rules Committee reported resolution to concur in civil rights bill.

SENATE

1. FOOD STAMPS. Passed with amendments H. R. 10222, the food stamp bill (pp.14913-26). Conferees were appointed (p. 14926). House conferees have not yet been appointed. Agreed to an amendment by Sen. Miller to exclude imported foods from the program (p. 14926). Rejected an amendment by Sen. Cooper to provide that able bodied heads of households may be required to work a comparable time in terms of wages at the prevailing wages for the value of food received (pp. 14923-4). Rejected an amendment by Sen. Douglas to exclude soft drinks from the program (pp. 14924-5). The bill authorizes \$75 million for the first year, \$100 million for the second year, and \$200 million for the third year. Sen. Ellender explained the program would work as follows: "A State requests that a program be established in a certain area within its boundaries. That State develops a plan of operation and submits it to the Department of Agriculture. Upon approval by the Department, the State certifies low-income households as eligible under the program. These needy families then exchange the

amount of money they would normally spend for food for coupons of a higher monetary value. The difference between the amounts the households pay and the value of the coupons received represents the Federal contribution."

2. ALASKA RELIEF. Passed as reported in S. 2881, to provide authorization for Federal agencies to aid Alaska in recovering from the effects of the recent earthquake and seismic waves (pp. 14899, 14902-13). The bill gives discretionary authority to the Secretary of Agriculture to forgive, in whole or in part, indebtedness of farmers and rural residents who are borrowers from the Farmers Home Administration when necessary to enable them to recover from their earthquake losses, and authorizes the Secretary to refinance the outstanding indebtedness of other farmers and rural residents similarly damaged. Also, it authorizes the Secretary to adjust indebtedness under programs of the Rural Electrification Administration in Alaska to the extent the borrowers suffered direct earthquake damage.

3. POVERTY. The Select Subcommittee on Poverty of the Labor and Public Welfare Committee approved for full committee consideration with amendments S. 2642, the poverty bill. p. D529

4. PAY. H. R. 11049, the Federal pay bill, was made the pending business for consideration Wed. (p. 14952). Sens. Lausche, Clark, Proxmire, and Williams (Del.) submitted amendments intended to be proposed to this bill (pp. 14885-7, 14888).

As reported (see Digest 129), H. R. 11049, the Federal pay bill, includes provisions as follows: Increases the rates of compensation of positions in the Executive, Legislative, and Judicial Branches. Establishes five salary levels for top executive positions. Establishes the rate of compensation of \$35,000 for level I for Cabinet offices. Establishes the rate of compensation of \$30,000 for specified positions in level II. Establishes the rate of compensation of \$28,500 for specified positions in level III, including the Under Secretary of Agriculture. Establishes the rate of compensation of \$27,000 for specified positions in level IV, including the Assistant Secretaries of Agriculture, USDA General Counsel, and Governor of the Farm Credit Administration. Establishes the rate of compensation of \$26,000 for specified positions in level V, including the USDA Assistant Secretary for Administration, the Administrators of AMS, ARS, ASCS, FHA, REA, SCS, and FAS, Chief of the Forest Service, USDA Director of Agricultural Economics, and USDA Director of Science and Education. Authorizes the President to place 20 additional positions in levels IV and V. Changes the title of Administrative Assistant Secretary to Assistant Secretary for Administration. Provides that rates of compensation for ASC county committee employees shall be increased to correspond, as nearly as possible, with increases provided for classified employees. Increases from 9 to 10 the number of within-grade rates for grades GS-11 through GS-14, from 8 to 10 the number for grade GS-15, and from 5 to 9 the number for grade GS-16. Authorizes the appointment of individuals at rates above the minimum of the grade in grades GS-13 and above in special circumstances. Requires Federal agencies to absorb, for fiscal year 1965, not less than 10 percent of the aggregate amount of the pay increases. Provides that the salary-fixing authority of heads of departments may not be used to fix rates in excess of the highest rate for grade GS-18. Permits hearing examiners who are found qualified at grade GS-16 to be so classified by the Civil Service Commission. Provides that the salary increases shall become effective July 1, 1964, except that increases for Members of Congress shall be effective Jan. 3, 1965, and increases for officers and employees of the Congress whose salaries under the bill would exceed \$22,000 shall be effective the first pay period beginning after Jan. 1, 1965.

off of the first pioneering clipper, at Meacham Field, was marked with a monument unveiled by Jose Diaz Garrido, president of the Municipal Council of Havana.

Later, two four-engine clippers took off for the 90-mile flight to Havana, where a monument was unveiled at Rancho Boyeros Airport, and a scroll was presented to Pan American Vice President Wilbur L. Morrison by Alberto Cruz, Cuban Minister of Communications. The group of dignitaries and press were guests of the Cuban Government for luncheon.

Two birthday clippers left Havana in midafternoon for Miami where a banquet climaxing the occasion was held that night. Speakers were Governor Caldwell, Vice President Morrison, and Jose R. Gutierrez, Cuban Under Secretary of Communications.

Distinguished guests were introduced, including Col. John Alison, Assistant Secretary of Commerce for Air, Enrique Agüero, Postmaster General of Cuba, and Dr. Herminio Rodriguez of the Cuban Ministry of State.

Others introduced included Brig. Gen. Homer L. Sanders, of the 14th Air Force, then Congressman and now Senator GEORGE SMATHERS, and then Congressman Emory H. Price, members of the Governor's cabinet, State supreme court, heads of the State's leading educational institutions, legislators, and city and county officials.

Of all of Pan American's important installations—at Kennedy International Airport, in San Francisco, in Los Angeles—none is more historic nor vital to the success of Pan American's system-wide operations than its extraordinary and brandnew facility at Miami International Airport. More than 7,000 residents of Florida are employed by Pan American in Miami, many of whom have given a great part of their lives to the service of this most unusual and interesting organization.

Madam President, the crew that departed on that first Pan American flight across the Atlantic 25 years ago received all of its early training in Florida. I am sure it will be of interest to this body to know who those people were and where they are now.

Twelve men made up the crew of Pan American's Dixie clipper, June 28, 1939, when the airline inaugurated commercial passenger service across the Atlantic. Of the dozen, five are still active with the company. A sixth recently retired.

Robert D. Fordyce was a junior flight officer on the 42-ton Boeing flying boat that made aviation history. Today he is a captain flying transatlantic and round-the-world routes for the airline.

Benjamin S. Harrell, pilot-navigator on the first flight, is also a captain, currently flying Pan Am's routes across the Pacific. He was one of the first captains to take the controls of the first jet clippers in 1958. With the company since 1936, he has flown in all sectors of operation, and for a time was an assistant chief pilot in the overseas division.

Melvin C. Anderson, now of Los Altos, Calif., was an assistant engineering officer on the Dixie clipper. He is pres-

ently a Pan Am flight engineer operating out of San Francisco on Pacific routes.

Another engineer on the famous flight was Stephen H. Kitchell, who is now chief flight engineer for Pan Am's Latin American division, based in Miami.

What of the other members of the crew on that history making flight of June 1939? Capt. Gilbert B. Blackmore, of Colusa, Calif., the first officer, was based in San Francisco from 1940 until his retirement in December 1963, after a 30-year career with the airline.

The engineering officer was John A. Fisk. He is presently a pilot-flight engineer for Eastern Airlines, based in Miami.

Radio Officer Harry L. Drake left the company in 1950 to join Aeronautical Radio, Inc., of Miami, Fla. He is the company's stations operations chief. The firm provides air and ground communications for several airlines.

The stewards were John Salmini and Bruno Candotti. Salmini today is field service supervisor for Pan Am in Rome. Candotti operates a catering service at Maiquetia Airport, Caracas, Venezuela.

Skipper of the Dixie Clipper was veteran flyer R.O.D. Sullivan. Captain Sullivan passed away in 1955.

A third flight officer, J. Norman Gentry, and Radio Officer Harold G. Lambert are also deceased.

All of these men, Madam President, rendered good service in the advancement of Pan American particularly and of commercial international aviation generally. Their successors are carrying on for them all over the world. I am happy to join with the distinguished chairman of the Commerce Committee in congratulating Juan T. Trippe and his many thousands of devoted employees for the accomplishments of Pan American and for the additional pioneering achievements which I feel certain they will attain.

Mr. BARTLETT. Madam President, as one of the representatives of the great State of Alaska, I take great pride in congratulating Pan American World Airways on the occasion of its 25th anniversary of the inauguration of flights across the Atlantic.

The State of Alaska was deriving benefits from its association with Pan American for a full decade before the carrier commenced transatlantic service.

Measures of the continuing interest of the carrier in serving the people of Alaska are evidenced by its proposals whereby the carrier would provide a daily service to Fairbanks throughout the year, plus extra flights during peak months; daily service to Ketchikan and Juneau throughout the year, plus an increase to 11 flights weekly for Ketchikan in the summer; and a daily service to Anchorage throughout the year, plus an increase to 11 flights a week during the summer. These flights would be conducted with Boeing type 707-321 aircraft, with seats arranged to accommodate 135 passengers on the winter schedules, and 145 during the summer, thereby making available to Alaskans the latest in jet equipment.

Further evidence of Pan American's continued interest in serving Alaska was

its decision to transfer voluntarily its Juneau-Fairbanks local service rights to Wien Alaska Airlines, Inc. This transfer reflected a realization by Pan American of the fact that the long-haul aircraft types which must now be utilized in the mainland-Alaska service are not also the ones most efficiently geared to the local service requirements. This transfer reflects a willingness on the part of Pan American to accept revisions—in fact, to propose them, so as to conform its certificate authorization to the most practical manner of providing the air transportation required.

Madam President, the foregoing is another example of Pan Am's continuing endeavor to provide up-to-date and adequate air transportation for the traveling public.

I congratulate Pan Am, on behalf of my fellow Alaskans and myself, not only on the occasion of its 25th year of passenger service across the Atlantic, but also on its 35th year of service to the State of Alaska.

Mr. COTTON. Madam President, as the ranking minority member of the Commerce Committee and the Aviation Subcommittee I should like to add my remarks to the observations made today by the distinguished chairman of the committee about the pioneering efforts of Pan American Airways in establishing transatlantic commercial service just 25 years ago.

The history of commercial flying across the Atlantic dates almost as far back as Col. Charles A. Lindbergh's epochmaking solo flight in 1927, the year Pan American Airways was founded.

Within 2 years after Colonel Lindbergh's New York-Paris flight Pan Am was actively planning a broad skyway to Europe. But flying the Atlantic "on a wing and a prayer," as the early civilian and military pilots did, was one thing. Establishing dependable, regularly scheduled air transportation for passengers across the "world's most dangerous ocean" was quite another.

Larger, safer, longer ranging planes had to be designed, constructed and tested; bases and maintenance facilities had to be established, not only in the United States and Europe, but at way stations in between; communications had to be vastly improved, and meteorology—until then largely a hit-or-miss proposition—had to be painstakingly developed into a science.

Colonel Lindbergh, as Pan Am's technical adviser, made survey flights to the Far East and Scandinavia. His Scandinavian route was not too far from the one taken by the Pan Am and TWA west coast-Europe flights today.

The experience and data gained from these and many other survey flights was added to the operational know-how Pan Am was acquiring at the same time on its rapidly expanding Caribbean and Latin American routes.

In 1935, Pan Am was ready to carry passengers across the oceans. On November 22 of that year, a Martin M-130 flying boat took off from San Francisco for Honolulu, then flew on to bases constructed by Pan Am on Midway, Wake, Guam, and at Manila. It was the first

flying boat to cross an ocean on a regular schedule.

As this work progressed and more experience was gained, the German dirigibles Graf Zeppelin and Hindenburg began flying lighter-than-air routes across the Atlantic. But this form of travel was abandoned in 1937.

On June 15, 1937, Pan Am inaugurated passenger service to Bermuda. Less than a month later, on July 3, captain, now executive vice president, overseas division, Harold E. Gray was at the controls of a Sikorsky S-42B flying boat which took off from Port Washington, N.Y., for Southampton, England, arriving there in 22 hours and 39 minutes to complete Pan Am's first transatlantic commercial survey flight.

During the summer of 1937, additional survey flights were operated by Pan Am and, on a reciprocal basis, by Imperial Airways, a predecessor of British Overseas Airways Corp.

By early 1939, special planes—Boeing 314 flying boats—had been constructed to Pan Am's specifications and tested for transatlantic service.

On May 20, 1939, Pan American inaugurated transatlantic airmail service along the southern route from Port Washington to the Azores, Portugal and France. This flight carried nearly a ton of airmail. On June 17, 16 newspaper and radio reporters were guests of the airline on a flight from Port Washington to Marseille.

On June 24, Pan Am operated the first commercial air flight across the Atlantic via the northern route to Southampton via Shediac, New Brunswick; Botwood, Newfoundland; and Foynes, Eire. Capt. Harold E. Gray was in command of this flight which carried 20 special guests.

On June 28, the first passengers to purchase tickets to fly the Atlantic were on-board the *Dixie Clipper*, a Boeing B-314 flying boat, when it took off from Port Washington for Marseille, via the Azores and Lisbon. Twice-a-week schedules were established. Shortly thereafter, Pan Am inaugurated scheduled passenger flights over the North Atlantic to Southampton.

With the outbreak of war a few months later, service to Marseille and Southampton was discontinued, but Pan Am helped maintain a vital lifeline to Europe with its flights to Lisbon as Allied passenger ships were driven into port or converted to military use.

On December 7, 1941, just 30 minutes after Pearl Harbor was attacked, Pan American's worldwide facilities—the only ones of their type then in existence—were placed at the disposal of the U.S. Government. The line's planes were flown by civilian crews in every theatre of operations throughout World War II.

Of necessity, these men and machines were tested far beyond the limits to which they had been subjected in peacetime. And out of this grim, hard-won experience there emerged a vastly superior and greatly expanded transatlantic service at the end of the war.

A Pan Am DC-4 became the first commercial landplane in overocean service in October 1945. Later, the company's engineers helped develop the Boeing Stratocruiser, the famed doubledecker

that was the last word in luxurious air travel in the late 1940's.

Then, in fast sequence, came the big speedy DC-6B's and DC-7C's—with their far larger passenger, mail and cargo capacities. On October 26, 1958, Pan Am inaugurated American Flag jet passenger service across the Atlantic with giant, 600-mile-per-hour 707 jet clippers.

Today, just 25 years after the first commercial passenger-carrying flight across the Atlantic, Pan Am helps make it the world's most air-traveled ocean by operating 222 transatlantic passenger flights on clockwork schedules every week.

Mr. KEATING. Madam President, 25 years ago this past Sunday, on June 28, 1939, a Pan American World Airways flying boat, the *Dixie Clipper*, made the first transatlantic passenger flight in history. This epoch-making flight, I am proud to say, originated in Port Washington, N.Y. It is, of course, but one episode in a long history of association between Pan Am and the Empire State, and today Pan Am's presence in New York is epitomized by its titanic home office building in midtown Manhattan and by its striking circular terminal at the John F. Kennedy International Airport.

All the good things that have come to pass in the exciting history of Pan Am are due in large measure to the organizing genius of Mr. Juan T. Trippe and longstanding associates of his at the helm of this transportation enterprise. Equally, Mr. President, this company would not be what it is today without the dedicated efforts of its thousands of employees. The remarkable thing about Pan Am employees is their longevity of service with the company. Once on the job with Pan Am, they seldom leave. They become part of the community, part of the political, social, and civic life of the communities in which they live and work.

The five boroughs of New York City and the suburban counties are the residences of hundreds of these Pan Am people who today carry on the tradition exemplified by the flight commemorated this week. To them, I say, "Well done."

ALASKA EARTHQUAKE RECONSTRUCTION

The Senate resumed the consideration of the bill (S. 2881) to amend the Alaska Omnibus Act to provide assistance to the State of Alaska for the reconstruction of areas damaged by the earthquake of March 1964, and subsequent seismic waves, and for other purposes.

PRIVILEGE OF THE FLOOR

Mr. ANDERSON. Madam President, I ask unanimous consent that David Finnegan, of the Department of the Interior who is acting as counsel for the Federal Reconstruction and Development Planning Commission for Alaska, may be permitted on the floor of the Senate during the afternoon discussions.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. JACKSON. Madam President, I rise to urge the passage of S. 2881, amending the Alaska Omnibus Act to

provide assistance to the State of Alaska for the reconstruction of areas damaged by the earthquake of March 1964 and subsequent seismic waves, and for other purposes.

Committee action was unanimous in ordering S. 2881 reported favorably to the Senate. Subsequently, Senator GRUENING requested and was granted permission to file individual views.

The purpose of S. 2881 is to provide additional authority for executive agencies of the Federal Government to assist the State of Alaska and its citizens in recovering from the earthquake and seismic wave disasters of March 27. The bill would accomplish its purpose by amending the Alaska Omnibus Act—73 Stat. 141—to provide special aid for highways, urban renewal, harbors, housing, and State finances.

Thus, the private sector of the Alaska economy as well as the public would benefit under S. 2881.

The committee broadened the scope of the administration's proposal by the adoption of three amendments. The first gave discretionary authority to the Administrator of the Housing and Home Finance Agency to increase the Federal contribution to urban renewal project costs to a maximum of 90 percent in certain of the communities in the disaster area. The second permits certain areas on the coast of California and Washington, devastated by the seismic waves, to share in the benefits of the extension of the Small Business Administration home disaster loan program provided in the bill. The third authorized the Administrator of the Housing and Home Finance Agency to purchase about \$7.2 million of State of Alaska general obligation bonds of a total of \$11,624,000 which were authorized, prior to the earthquake, but were not issued, or to make loans in that amount.

The maximum amount of additional obligational authority involved in the bill would come to not more than \$50,150,000.

I believe that the Congress and the executive agencies have acted promptly and generously to aid the people of Alaska in their hour of trial. As Senator ANDERSON, chairman of the Federal Reconstruction Commission, stated in a press release made May 28, 1964:

Federal assistance to Alaska homeowners, businessmen, and local and State governments for earthquake recovery is estimated to range between \$236 and \$337 million. Part of these funds are contingent on congressional approval.

In addition, the Federal Government will spend about \$76 million on reconstruction of damaged Federal facilities and on the cost of operating Federal disaster-related programs. These funds will have an impact on the private economy of Alaska.

All of these funds are in addition to Federal expenditures which would have gone to the State and for normal Federal programs in Alaska had there been no disaster.

I ask unanimous consent that this chart detailing the assistance activities of the Federal Government in the Alaska disaster, be printed in the body of today's RECORD.

There being no objection, the chart was ordered to be printed in the RECORD, as follows:

Federal costs related to Alaska earthquake ¹

[In thousands of dollars]

	Total Federal assist- ance	Grants and other direct expenditures ²			Loans			Net Federal cost
		Total	Ordinary disaster and other programs	Extraor- dinary assist- ance for Alaska	Total	Value of repay- ments ³	Subsidy	
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(2)+(7)
Aid to private sector:								
Small Business Administration	50,000				50,000	42,803	7,197	7,197
Internal Revenue	25,000	25,000	25,000					25,000
Bureau of Commercial Fisheries	700				700	657	43	43
REA (loan forgiveness)	5,000	5,000		5,000				5,000
VA, FNMA, IHHFA (loan forgive- ness)	?	?	?	?				?
Total	80,700	30,000	25,000	5,000	50,700	43,460	7,240	37,240
Aid to State and local governments:								
Office of Emergency Planning	80,122	80,122	80,122					80,122
Bureau of Public Roads	63,200	63,200	48,200	15,000				63,200
Transitional grants	23,500	23,500		23,500				23,500
Urban Renewal Administration	44,263	44,263	44,263					44,263
Community Facilities Adminis- tration	25,215	215	215		25,000	22,768	2,232	2,447
Total	236,300	211,300	172,800	38,500	25,000	22,768	2,232	213,532
Total	317,000	241,300	197,800	43,500	75,700	66,228	9,472	250,772
Alaska Railroad	27,000	27,000	27,000					27,000
Total	344,000	268,300	224,800	43,500	75,700	66,228	9,472	277,772
Other Federal facilities	49,246	49,246	49,246					49,246
Grand total	393,246	317,546	274,046	43,500	75,700	66,228	9,472	327,018

¹ Based on Budget Bureau's May 22, 1964, compilation of "Data Relating to Alaska Earthquake and Federal Aid to Alaska."
² Includes tax offsets and loan forgiveness.
³ Present value of expected repayments at 4 1/4 percent, which is the current average market yield on Treasury obligations with 20 years remaining to maturity.

Source: Office of the Secretary of the Treasury, Office of Debt Analysis.

Mr. JACKSON. Madam President, I cannot more persuasively tell the Senate of the need for swift approval of this measure than by citing President Johnson's recommendation:

Concern for our fellow citizen alone compels prompt action on this proposal. But practical considerations are also most important. The construction season in Alaska is about to begin and is of short duration. The sooner Alaska can complete its reconstruction efforts, the sooner it can begin again to devote its efforts toward the further development of the State's resources.

Madam President, I wish to pay special tribute to the distinguished senior Senator from New Mexico [Mr. ANDERSON] for the enormous effort he expended in connection with the pending proposed legislation, and in connection with other bills that have been before the Senate, in an effort to aid the people of Alaska. He served as Chairman of the President's Federal Reconstruction Commission, and at my request undertook to handle the pending legislation in the Senate. He has been most thoughtful in his efforts to try to find solutions under existing criteria—and we have had to broaden some of the criteria—in order that Alaska might be given appropriate aid.

Madam President, I ask unanimous consent that the committee amendments be considered en bloc.

The PRESIDING OFFICER. Without objection, it is so ordered. The question is on agreeing, en bloc, to the committee amendments.

The committee amendments were agreed to en bloc.

Mr. KUCHEL. Madam President, permit me to observe that the commit-

tee, in its wisdom, saw fit to approve an amendment which I had offered to extend the terms of the home disaster loan benefits available from the Federal Government for damage resulting from the earthquake wherever it took place.

The sad fact is that, while the fury of the act of nature did bypass the State represented by the Senator from Oregon, who is now the Presiding Officer [Mrs. NEUBERGER], it did wreak some damage in a portion of the State represented by the distinguished chairman of the Committee on Commerce, and coming southward, in the northern part of California.

I express my gratitude to the committee for the beneficent action which it took in adopting my amendment.

Beyond that, all I wish to say is that we listened in the Chamber to the two distinguished Senators from Alaska at the time the shock and fury took place.

This represents an indication by the Members of the Senate that they wish to lend the helping hand of the people of the United States to the people of the State of Alaska.

The PRESIDING OFFICER. The bill is before the Senate and open to further amendment.

Mr. MANSFIELD. Madam President, the past year has been marked by several natural disasters of unusual proportions. First the earthquake created havoc in Alaska and portions of California and Washington. In early June of this year, my State of Montana was hit with the most disastrous flood in our history. Eight western Montana counties have already been designated disaster counties eligible for assistance under Public Law 81-875. I am informed that additional

designations are being considered for five or six more counties. The most recent estimates indicate that property damage in the public area exceeds \$21 million and private losses are more than \$41 million.

These figures are very conservative, because I am informed that in one county alone, Flathead County, the damage is in excess of \$50 million. The needs in the public sector have been taken care of very rapidly under existing programs administered through the Office of Emergency Planning and various other departmental programs. The response has been most gratifying.

I take this occasion to express my deep and grateful appreciation to Mr. Edward A. McDermott, Director of the Office of Emergency Planning, who has done a tremendous job, as have those under his direction, in Montana, as they had already done in the States of Washington, Oregon, and Alaska.

The question which creates the greatest concern is how we can assist the individuals who have suffered great losses. According to information received from Montana, some individuals have suffered as much as \$12,000 loss to their own homes. As I am sure Senators realize, these unusual disasters are ruinous to many families, and that there is no really adequate program for assistance to these individuals.

It is with this thought in mind that I have had prepared an amendment which would permit the inclusion of Montana disaster counties under section 54 of S. 2881, the pending bill. This would permit Montana residents to become eligible for aid under the Small Business Act in extending the maturity of loans up to 30 years. I realize that this legislation is designed to meet the problems of our sister State, which recently suffered such great devastation.

I would hope that the distinguished members of the Senate Interior and Insular Affairs Committee, especially the chairman, the Senator from Washington [Mr. JACKSON] and the senior Senator from New Mexico [Mr. ANDERSON], who has made a special study of this kind of situation, might agree to the inclusion of these Montana counties in the section dealing primarily with relief for the private individual.

At this time, I would also like to suggest that Congress should give very serious consideration to the problem of relief for the individual in natural disasters. According to information made available to me, at the present time, there is no comprehensive program, and what relief is available is rather inadequate.

Madam President, I send to the desk an amendment which I ask to have read.

The PRESIDING OFFICER. The amendment will be read.

The legislative clerk read the amendment as follows:

On page 5, line 17, after "seismic waves," insert "or for the purpose of replacing, reconstructing, or repairing dwellings in counties in Montana designated in the calendar year 1964 as disaster areas pursuant to the act of September 30, 1950 (64 Stat. 1109)."

Mr. ANDERSON. Madam President, I would not want to be regarded as unfavorable to anyone who is trying to help the people of Montana, but I would hope that

the distinguished majority leader would try to leave the amendment out of this bill.

As I understand, the Small Business Administration is able to do a great many of the things the Senator from Montana desires to have done. The other agencies of Government are also authorized, under the Disaster Insurance Act, to do many of these things.

Many of the counties in Montana have been declared disaster areas. I would hope that the senior Senator from Montana and his colleague would go to the appropriate agencies, along with their constituents, and ask for help.

If that help is not forthcoming, I promise that I shall do what I can to make certain that assistance will be given to those who have suffered from the disaster. The Senator from Montana may recall that the State of Ohio had a devastating flood not too long ago. It was not so disastrous that relief was required to the extent provided in the proposal for Alaska. We have provided other relief assistance for Alaska.

In the future when States suffer from floods, the people may think it desirable to have applied to them the same provisions as are applied to Alaska, but their conditions may not be the same. While the disaster in Montana was major, it did not have the same relative importance to the State as the disaster in Alaska had to that State.

I therefore hope, since the bill is directed primarily to the Alaska earthquake and to the seismic wave that followed, touching California and other States, that it will not be encumbered by a provision which has not been considered by the committee and would be out of place in the bill.

I say that with all kindness to the majority leader. I think he ought to try, through the agencies concerned, to have done for Montana the work that Mr. McDermott has done for Alaska. Mr. McDermott has done outstanding work in Alaska. Publicly and privately, I have praised the work he has done in that State. He will do the same for Montana. The people of Montana will find that his agency is as ready to work there as it was for the people of Alaska.

I would hope the Senator from Montana would withdraw his amendment and try to have the individuals in the agencies concerned do similar work for Montana. If such relief is not obtainable, he should try to obtain legislative relief for that State alone.

Mr. MANSFIELD. Madam President, I deeply appreciate the open mind displayed by the distinguished senior Senator from New Mexico and the encouragement he has given.

My colleague from Montana [Mr. METCALF] and I have made contacts with all the Government agencies interested in disaster problems. We have been in touch with the Small Business Administration. So far as the public sector is concerned, adequate relief is being provided by the Office of Emergency Planning and other agencies of the Government.

But the factor which concerns us the most at the present time happens to be

the individual homeowners, 5,000 of whom, in the southwest part of the city of Great Falls, have been flooded out in whole or in part. They have mortgages to pay. Some of them have made little more than downpayments on their houses. They have very little in the way of insurance to fall back on. This is an area of Great Falls that is, by and large, not peopled by the wealthy. These are people who need help the most.

I had hoped it would be possible, on the basis of this bill, or at the very least on the basis of the statement made by the distinguished senior Senator from New Mexico, who has had so much to do with this bill, that the people of Montana might be given the same kind of consideration with respect to loans which would be amortized on a 30-year basis, and other considerations, because of the difficulties which confront the people in those counties at the present time.

I hope that Mr. Foley, Administrator of the Small Business Administration, who has been most cooperative, will take note of this situation and will derive encouragement from what the distinguished senior Senator from New Mexico might still have to say on this particular subject as it affects the private sector.

Mr. ANDERSON. Madam President, will the Senator from Montana yield?

Mr. MANSFIELD. I yield.

Mr. ANDERSON. I would be glad to accompany the Senator from Montana on a visit to Mr. Foley and to talk with him. I have found Mr. Foley to be a very reasonable person. He tries to be helpful in situations like this. So far as I am concerned, I believe he would be helpful.

One of the things that has been of great benefit to the people has been to permit them to have the benefit of low interest rates over a long period of years. In many instances, a person has had to pay an interest rate as high as 7, 8, or 10 percent, with repayment of the loan due in 15 or 20 years. But if that can be changed into a 3-percent loan for a period of 30 years, the burden will be completely changed.

I express to the Senator from Montana my assurance that I shall be glad to join him in making every effort possible to obtain assistance from the Small Business Administration. I express the hope that Mr. Foley will be receptive to whatever request the Senator from Montana may make.

Mr. JACKSON. Madam President, I wish to associate myself with the remarks of the senior Senator from New Mexico. A special problem exists in Montana which deserves the fullest support. It is only because our committee was, jurisdictionally speaking, responsible under the Alaska Omnibus Act that we were involved in this proposal in the first instance. I am completely sympathetic to the remarks of the Senator from Montana and will, as chairman of the Committee on Interior and Insular Affairs, do whatever I can to assist the people of Montana and the distinguished Senators from that State.

Mr. MANSFIELD. I express my deep appreciation to Senators who are in charge of the bill and assure them that

their words are most encouraging. In view of the fact that the Senate seems to be unanimously in accord with the views expressed by the Senator from New Mexico [Mr. ANDERSON] and the Senator from Washington [Mr. JACKSON] I withdraw my amendment at this time.

Mr. BARTLETT. Madam President, I express the hope that the people of Montana, who were the victims of a disastrous flood, will obtain quick and effective relief. I have the feeling that the law is now so arranged that when the problem is presented to Mr. Foley, who is one of the best administrators in the Federal Government, in my opinion, it will be found possible to extend the benefits of the 30-year loan period on the basis of existing provisions in the law.

Mr. MORSE. Mr. President, I heartily support obtaining for the people of Alaska the maximum assistance that can be obtained for them under any bill that can be passed in the Senate. I have read the House bill. I think I prefer the House bill to the Senate bill, because it is more generous to the people of Alaska. We cannot be too generous to our own people.

I have spent hours in recent days trying to prevent the giving away of the largess of the United States to areas of the world where our handouts will not be appreciated anyway, and will very likely, as the reports of the Comptroller General of the United States point out, be the cause of corruption as well as great waste and inefficiency in the use of the foreign aid money of the American taxpayers.

I have listened once again to our AID and State Department officials try to justify loans running into the millions of dollars—what are called loans, at least—at the rate of three-quarters of 1 percent interest, with 10-year grace periods, and 50 years in which to pay. A large percentage of such loans is to be paid back if paid back at all in soft money, not even in hard, cold American dollars. Yet we find ourselves rather reserved about coming to the assistance of our own people by making the most generous possible arrangements that we can grant for loans in Alaska.

I quite agree with the Senator from Montana [Mr. MANSFIELD] that the Federal Government should assist the people of Montana by the most generous program that can be provided for that State due to the flood suffering of its people. The Senator has decided to withdraw his amendment. I would have voted for it if he had pressed for its inclusion in the bill. We have reached the point where we shall have to do a large amount of legislating if we expect to do justice to our people in the light of a Senate and a House which have already demonstrated, in my judgment, an uncalled for reserve in regard to doing justice to our people. I am ready to start voting for riders, if riders are necessary to do justice to our people, whether on this bill or any other bill. But the Senator from Montana has decided not to press his amendment.

I appreciate the assurance given by the Senator from New Mexico to the Senator from Montana that he will assist him in

every way he can in consultation with Mr. Foley, the Director of the Small Business Administration.

I hope that it will bear fruit. The best way to deliver the fruit to the depressed areas of the country is to enact the necessary legislation. I look forward with hope—and I never give up hope—that the Committee on Interior and Insular Affairs will eventually get around to doing justice to the people of my State in respect to the deepest pocket of poverty that exists in the country today. The Committee on Interior and Insular Affairs did not do justice to Oregon the other day, nor did the Appropriations Committee, in regard to the attitude that the Interior and Insular Affairs Committee and the Appropriations Committee have taken toward the Tongue Point facility. They trimmed down not only my recommendation and the recommendation of the Secretary of the Interior, but also the recommendations of our beloved President Kennedy.

Mr. President (Mr. Young of Ohio in the chair), I am sorry to be placed in a position where some Senators may feel that I am a little unpleasant. I am unpleasant about this unfair treatment of Oregon and I intend to continue to be unpleasant until I obtain justice for my State. I do not believe that the treatment my State has received in connection with Tongue Point can be justified by the Committee on Interior and Insular Affairs, or by the Appropriations Committee of the Senate.

I have been pleading for \$5 million for Tongue Point and I have received no answers to the merits of the issues I have raised. I have received no answers to the evidence which I placed in the RECORD justifying the special school for a special group of Indians at Tongue Point as recommended by President Kennedy, by Secretary of the Interior Udall, by the Bureau of Indian Affairs and by the recognized leaders of Indian groups in the United States.

Oh, I am well aware of the fact of what went on in the cloakrooms and behind the scenes, but that does not make it right. I intend to continue, so long as this session of the Senate continues, to try to save the people of my country the great waste of millions of taxpayers' dollars in a foreign policy which at the present time cannot be justified. This statement may not be felt to be germane, but it is germane, and I take this time to speak about it so that no more time will pass in the day before at least the record is made on my position with regard to what I consider to be the shocking position taken by our former Ambassador to South Vietnam, Mr. Lodge, before the Committee on Foreign Relations this morning.

He gave to us the same old McNamara-Rusk line, calling for the expenditure and waste of millions and millions more of taxpayers' dollars in South Vietnam when we should be spending more of that money in Alaska, Montana, Oregon, West Virginia, the Appalachian area, and the other depressed areas of this country.

This morning, when I asked Mr. Lodge to tell us why our Government is opposed

to going to a 14-nation conference on the Asian crisis, why we oppose taking the crisis in southeast Asia to the Security Council of the United Nations and then to the General Assembly, why we are not bringing SEATO in under the SEATO Treaty to assume its treaty obligations in regard to South Vietnam, his testimony added up to meaning that the time is not propitious. That is no justification—as I told the Ambassador this morning—for the United States staying outside the framework of international law.

Ambassador Lodge tried to get us to swallow again the old bromide in the form of that old saw that we cannot hold at the conference table what we cannot hold in the military field.

Analyze that statement. Analyze it for what it means. It means that we first impose our military might on southeast Asia and then we say in effect to the world now we are willing to negotiate. Now we are willing to go to the conference table. This amounts to telling the world that it can either agree with us and do our bidding or challenge our military might.

We cannot square that with the professed ideals of the United States. I said to Ambassador Lodge that I rejected the position he is taking in South Vietnam, which is also the position taken by the Secretary of Defense, the Secretary of State, and now, at long last, the position which the President of the United States has taken.

There are a great many values involved. The value of the loss of American blood. The value of the loss of American ideals. For no longer are we a country that can boast about the fact that we believe in substituting the rule of law for the jungle law of American military might.

There is a loss of something else as well, if we do not stop it, which is why my remarks are germane. I conclude with this observation, that there is a loss of strength of the greatest security weapon we have; namely, the economic power of the United States.

Unless we take care of our economy, and unless we take care of the needs of our people at home, we shall perform a vast disservice to future generations of American boys, because we shall not be leaving them a strong America. We are following a course of international outlawry in Asia and all rationalizing by Lodge, McNamara, Rusk, Taylor, and the President will not remove the blood from our hands. We can cleanse our sorry record only by reversing our course and calling upon the United Nations to carry out the clear provisions of the United Nations Charter designed to preserve peace wherever war is threatened.

Later, unrelated to the subject matter before us now, I intend to say a few words in rebuttal to some of the other things said by the Ambassador this morning. However, I wished the record to be made early in the day that, after listening to Ambassador Lodge this morning, I am more convinced than ever that our country is following a policy of outlawry in Asia, that we are outside the

framework of international law, that we cannot justify use of the jungle law of American unilateral action by way of force and American military might.

We are, in my judgment, headed for a major war in Asia unless the policy outlined by Ambassador Lodge this morning is reversed and reversed quickly.

To the American people I say: "Only you can reverse it. Only you, the people, can reverse it. I recognize that the press has done a job on you by not printing the facts for you about South Vietnam. I recognize that those of us who are criticizing and documenting our charges regarding the facts concerning our country acting outside the framework of international law, are not going to have our story told to the American people by a 'kept' press. I am satisfied also, as my mail shows, that it is getting through to many Americans."

We owe our thanks to the radio and television for that—not to the press.

I am satisfied that once the American people understand what is going on, they will agree with me that they must make clear to the administration they want none of the war policy of the administration in Asia. Many leaders of both the Democratic and Republican parties are advocating a warmaking policy in Asia. The American people must reverse them or thousands of American soldiers and thousands of American citizens will die without justification because such a war will be entirely uncalled for.

Mr. GRUENING. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator from Alaska will state it.

Mr. GRUENING. Is the bill open to further amendment?

The PRESIDING OFFICER. The bill is open to further amendment.

Mr. THURMOND. Mr. President, all citizens; and I am sure, all Senators, feel the deepest sympathy for citizens of the earthquake devastated areas in Alaska. All of us desire to extend a helping hand to those dealt with so tragically by the forces of nature.

There is, however, a limit beyond which it is neither constitutional nor practical for the National Government to transgress. The bill proposed by the Committee on Interior and Insular Affairs, in some instances, exceeds this limit.

The bill provides for the forgiveness of private loans by the Farmers Home Administration. Approximately 200 such loans, totaling about \$4 million are outstanding in the disaster area. In relation to the total annual expenditures of the National Government, this amount is not large; yet the precedent which this authorization for forgiveness of private loans would establish is extremely far reaching. There is no prior precedent for such action.

It is obvious that in many cases the pledged security for these loans has been totally destroyed and it would probably be impossible to collect the loans. I would remind the Senate, however, that bankruptcy proceedings can accomplish essentially the same ultimate re-

sult, and the individuals concerned could be relieved thereby from any potential burden of a deficiency judgment which the Government might obtain. This is the remedy which must be followed where liens are held on the destroyed property of individuals by private rather than governmental lenders. This has been the course which was available to disaster victims in years past, and it is available to all regardless of whether their indebtedness is owed to a private creditor or to the National Government.

The bill might well provide that the bankruptcy of an individual as a result of the disaster would not be considered as a disqualifying factor for new and additional loans from Government agencies to the individuals involved. Thus, the fact that the disaster victims were declared bankrupt would not prevent them from obtaining such Government assistance in the form of loans as are contemplated for new construction or reconstruction. This approach would, however, avoid the dangerous precedent of authorizing the cancellation or forgiveness of private loans. It would also avoid the inequities inherent in allowing forgiveness to those who had the good fortune to owe their indebtedness to the National Government rather than a private lender.

The bill, in its present form, should not pass. I would like the RECORD to show that I oppose that portion of the bill which provides for cancellation of loans by the Government to individuals.

Mr. ANDERSON. Mr. President, will the Senator yield?

Mr. THURMOND. I yield.

Mr. ANDERSON. There are 200 loans in the amount of \$4 million. But only 82 of those loans are on property which suffered damage. It is a very small percentage. The total amount of forgiveness is probably in the amount of \$100,000.

Mr. LAUSCHE. How much?

Mr. ANDERSON. Approximately \$100,000. It so happened that God took good care of the farm people in Alaska. Their damage is not as large as we might have expected. When compared with the amount of money involved, it is a very small sum.

Mr. THURMOND. I am not opposed to the entire bill as proposed, but only to this portion of the bill that cancels individual loans. I think it is setting a dangerous precedent for the Government to cancel a debt owed to it by an individual.

We might be treading on dangerous ground. If an individual has been damaged—as I am sure a great many of these people have been, and I feel very sorry for them—they have a recourse. They can be relieved of their debt without the necessity of having it canceled by the Government.

They can do as other individuals do when hardship hits them. They can go into bankruptcy. That would accomplish the same result without having the Government establish a precedent of canceling a loan due it by an individual.

My objection is to the continued intersection of the Federal Government into fields of activity already adequately regu-

lated and supervised under the application of currently existing Federal or State authority.

The PRESIDING OFFICER (Mr. INOUE in the chair). The bill is open to amendment.

Mr. GRUENING. Mr. President, I regret the necessity of calling up my amendment, No. 1080, which seeks only to conform the Senate bill, S. 2881, as reported, with the House bill, H.R. 11438, as reported.

My only regret in offering this amendment stems from the fact that it seemingly places me in opposition to the able and distinguished senior Senator from New Mexico [Mr. ANDERSON].

I have known and admired the Senator from New Mexico for many years. He is a very capable, earnest, and sincere Senator, working assiduously and effectively for objectives in which he believes.

He was of immeasurable assistance in helping Alaska to obtain statehood. He conducted the first Senate hearing on Alaska statehood in 1950, as a result of which the Interior Committee voted to report an Alaska statehood bill for the first time. This was the first time any Alaska statehood bill had been reported by a Senate committee.

Later he was floor manager in the Senate of another statehood bill, and secured favorable action upon it. The history of the fight for Alaskan and Hawaiian statehood will inevitably record Senator ANDERSON's important participation and leadership in this epic legislative battle which extended the frontiers of democracy to America's farthest west, north, and south, and demonstrated to the world that our United States was still young, progressive, on the march, and validating that most basic of American principles, that of government by consent of the governed.

I might add that I have, further, a sense of personal obligation and gratitude for the participation of Senator ANDERSON at a certain confirmation hearing before the Senate Interior and Insular Affairs Committee in April of 1949, when the then Governor of Alaska, whose name modesty forbids me to mention, had been nominated for a third 4-year term. I might say that certainly, in consequence, in part, of Senator ANDERSON's penetrating interrogation of hostile witnesses, the nomination was unanimously confirmed by the committee and later by the Senate.

Mr. ANDERSON. Mr. President, will the Senator yield?

Mr. GRUENING. I yield.

Mr. ANDERSON. I am extremely happy that that was the result. I have no apologies to make for what I did. I was doing a public service. And I thought I was doing a good job.

Mr. GRUENING. I have never ceased to be grateful for that.

In accepting the chairmanship of the Federal Reconstruction and Development Planning Commission for Alaska, Senator ANDERSON did so at great sacrifice in time and effort. He threw himself into the effort at rebuilding Alaska with zeal and determination despite the many other calls upon his time.

I know he has Alaska's best interests at heart as he always had during the fight for Alaska statehood, and subsequently.

Our differences, therefore, are differences in how far the Federal Government should go in its efforts and how much the State and local governments of Alaska are financially able to assist themselves.

These amendments would not have been offered unless I considered them absolutely essential to the economic recovery of Alaska.

I had hoped that these amendments would have been adopted by the committee thus obviating the necessity for calling them up on the floor.

But in order to do full equity to the people of Alaska and to enable them to make as full a recovery as possible from the disaster of last Good Friday, these amendments are essential.

From a disaster of this magnitude a full recovery is not possible. Many citizens of Alaska have suffered the loss of personal possessions which can never be replaced and for which no compensation can be devised.

Even if S. 2881 were passed with both the committee amendments and my amendments there will be many residents who will have suffered losses for which no recompense is provided in this or any other bill.

However, where aid can be given I strongly urge that such aid be given.

As I have already indicated, my amendments are designed only to conform the Senate bill, S. 2881, with the House reported bill, H.R. 11438.

Two of these amendments, inserted by the Interior Committee in the other body, are limiting in nature.

The first amendment—paragraph 4—added by the House committee, puts an overall ceiling on the amounts authorized to be appropriated to carry out this bill. The ceiling stated is \$50,150,000.

The second amendment—paragraph 5—calls upon the President to report semiannually, beginning not later than February 1, 1965, to the President of the Senate and the Speaker of the House. The periodic report is to set forth the actions taken by the various Federal agencies under the act.

The third amendment—paragraph 1—relates to the State and local matching requirements for urban renewal projects for the city of Anchorage—by far our largest city.

The history of this amendment is as follows:

The original recommendation by the Housing and Home Finance Agency to the Federal Reconstruction and Development Planning Commission for Alaska was that, because so much of Alaska's tax base had been destroyed, those areas in which urban renewal projects had to be undertaken because of the Good Friday disaster should receive special consideration in the amount of State and local matching funds required. HHFA therefore proposed that the matching formula for those areas be changed from 75-25, as already provided by law for "normal" disaster areas, to 90-10.

In a "normal" disaster area, the remainder of the State's tax base is not cut by 50 percent as it was in Alaska. In the "normal" disaster area the matching ratio for urban renewal projects is 75-25. In such areas the State is usually in a better position to assist the locality than is the State of Alaska.

While the original recommended matching ratio was 90-10, when the recommendations were made to the President by Chairman ANDERSON of the Commission, the recommendation with respect to special consideration on urban renewal projects for Alaska cities in economic difficulties because of the disaster was not included.

When Mr. George Hayes, the attorney general of the State of Alaska appeared before the Committee on Interior and Insular Affairs on behalf of the State, he made a special plea that the matching formula for urban renewal projects in Alaska in disaster areas be reduced from 75-25 to 90-10. His testimony is before Senators in the printed hearings. His arguments were clear, cogent, and compelling.

The gist of his argument was not special privilege for the State of Alaska. It is merely a matter of "we would if we could but we cannot." It is a question of not having sufficient money. It is as basic as that.

Two weeks ago the Mayor of Anchorage, Mr. George Sharrock, wrote the Senator from New Mexico [Mr. ANDERSON] in his capacity as chairman of the Federal Reconstruction and Development Planning Commission for Alaska as follows:

Anchorage simply has no spare capital funds. We seek the 90-10 formula, coupled with the State assisting on the local share, simply because without such complete State and Federal aid we would have to leave our slide areas in private ownership for owners to dispose of as they might be able to; furthermore, we could not restore facilities or roads beyond the minimum being done under Public Law 875 for many years to come.

I ask unanimous consent that the entire letter from Mr. Sharrock be printed in the RECORD at the conclusion of my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. GRUENING. Since writing that letter, one of the contingencies dreaded by the city of Anchorage has come true. A committee of expert geologists has reported that a considerable portion of downtown Anchorage in the main business district will have to be shored up if it is to be made safe for construction. This will cost an additional \$4 to \$8 million. I ask unanimous consent that the article from the Anchorage Times recording this new and unforeseen development be printed at the conclusion of my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 2.)

Mr. GRUENING. The difference between an urban renewal matching ratio of 90 to 10 and 75 to 25 for the urban renewal projects in Anchorage before the

Commission's report was approximately \$4 million.

I have said before, and I will repeat: the exact amount of the damage caused to the State of Alaska by the Good Friday disaster is not precisely known. As time goes on, the ascertained damage will increase. The seismological report is but one example of such hidden damages to be discovered at some future date.

In the markup in the Senate Interior Committee on S. 2881, I offered an amendment to reduce the matching ratio for all urban renewal projects necessitated by the disaster from 75 to 25 to 90 to 10.

The committee accepted this amendment for all cities other than Anchorage.

It is my opinion that Anchorage needs the reduced ratio as much as do the other cities in Alaska.

The difference between my position and that of the able and distinguished senior Senator from New Mexico is one of fact: can the city of Anchorage afford an additional \$4 million for urban renewal?

The State of Alaska with its intimate knowledge of its financial position and that of its cities says it cannot afford this extra sum.

The city of Anchorage says it cannot afford this extra sum.

Opposed to these opinions is the opinion of the able and distinguished senior Senator from New Mexico who says that, despite the statements by the city and State, the city of Anchorage can afford this extra sum.

The point, however, is that the amendment I propose—and which the committee in the other body has adopted—is permissive only. It does not require a 90-10 matching ratio. The 90 percent is a maximum and the Administrator of the Housing and Home Finance Agency can, when the time comes, exercise his discretion in authorizing a Federal matching ratio anywhere from 75 to 90 percent.

It is my hope that this amendment will be accepted either here on the floor or in conference, and that the exact amount of Federal matching up to a maximum of 90 percent will be left in the capable hands of the able Administrator of HHFA.

The next amendment—paragraph 3—relates to the purchase of FHA-insured mortgages on Alaska homes destroyed or severely damaged.

This amendment would permit the Federal National Mortgage Association—Fannie Mae—to buy at no more than par mortgages on FHA-insured homes in Alaska which were destroyed or severely damaged where the mortgages are now held by Fannie Mae.

Under existing HHFA policies, FHA mortgages on homes severely damaged or destroyed in Alaska can be forgiven upon the payment of \$1,000 provided the mortgages are held by Fannie Mae. Some of these mortgages were purchased by Fannie Mae out of its special assistance fund. Some FHA mortgages on such houses are still held by banks, never having been purchased by Fannie Mae. Some were purchased by Fannie Mae and resold.

This amendment would have done equity among FHA-insured homeowners in Alaska whose homes were destroyed or severely damaged. The homeowner could not control the sale to or the purchase by Fannie Mae of his mortgage. Nor could the homeowner control the resale of his mortgage by Fannie Mae. That was purely a matter of chance.

Without this amendment, Alaska homeowners in the same circumstances will be dealt with unfairly.

This is not a question of rescuing the banks holding the mortgages, but rather rescuing the homeowners who gave the mortgages. Banks cannot forgive a legal indebtedness without making every effort to collect. Forgiveness would not be permitted by the State banking commissioner. Forgiveness would not be permitted by the Internal Revenue Service as a writeoff as for a bad debt. Collection of any disaster insurance carried by any of the banks is also dependent on diligent efforts to collect the indebtedness.

The result will therefore be that many homeowners in Alaska having FHA-insured mortgages may have to go through bankruptcy in order for the banks to prove that they took diligent steps to collect the indebtedness. Others may be saddled with double indebtednesses.

This could be happening while a next-door neighbor, whose FHA-insured house was also destroyed, could obtain forgiveness solely because of the chance that the FHA-insured mortgage had been purchased by Fannie Mae and not resold.

This amendment is supported by the National Association of Mutual Savings Banks.

I ask unanimous consent that the letter dated June 10, 1964, from the National Association of Mutual Savings Banks be printed in the RECORD at the conclusion of my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 3.)

Mr. GRUENING. By its terms, the total cost of this amendment is limited to \$10 million. This amendment was also accepted by the House Committee and is in the House bill as reported.

By its terms, the funds to carry out this amendment would come from Fannie Mae's special assistance funds. Far from creating a precedent for extraneous uses of Fannie Mae's special assistance funds, this proposal would follow a precedent. Up until a few years ago, Fannie Mae's special assistance funds were allocated to purchase FHA-insured mortgages on Alaska homes and these mortgages were held in Fannie Mae's portfolios. The reason for this procedure was because there just was no private market—at least so it was alleged—for the purchase of FHA-insured mortgages on Alaska homes. The area was considered too remote and the risks too great. Shortly after statehood, Fannie Mae determined to make a real effort to sell to private banking interests FHA-insured mortgages on Alaska homes. It was quite successful in its efforts. Many of the mortgages involved in this amendment were originally purchased with special

assistance funds and sold to private lenders. What this amendment does, therefore, in great part, is to reverse the process and use the very same funds to repurchase these mortgages so they can be forgiven under present policies on the payment of \$1,000.

Through June 11, 1964, there had been authorized under the Fannie Mae special assistance funds over \$2 billion, of which \$181,756,000 had not yet been allocated. The amount involved in this amendment is therefore less than 6 percent of the total Fannie Mae special assistance fund available for allocation and would in no way disturb allotments already made for other special assistance functions.

The adoption of this amendment could do much to relieve the approximately 120 Alaskan homeowners thus discriminated against from heavy debt burdens and possible bankruptcy. As one homeowner wrote me:

A great many of us are still expecting the Federal Government through FNMA to purchase the FHA guaranteed loans that are in the slide area in Turnagain. FNMA did offer to buy the loans that they have in their portfolio, but these number but a few. This seems to be a lopsided situation with a few people getting the benefit of having their loans with FNMA where some others have their loans in private portfolios.

I hope that this amendment will be accepted either on the floor or in conference. It is a good amendment. It is a just amendment. It should be adopted.

Another amendment—paragraph 2—also adopted by the House committee and contained in the House bill as reported, would reduce the interest rate on State of Alaska bonds purchased or loans made to the State of Alaska by HHFA.

The maximum amount of bonds or loans authorized is \$25 million.

As introduced, the bill provides for a rate of interest of 3½ percent—3¾ percent after today—with a repayment schedule of 40 years and no moratorium on repayment.

The amendment I offered in committee would have reduced the interest rate on bonds issued by the State of Alaska for reconstruction of disaster damage, and purchased by the Housing and Home Finance Agency, to three-quarters of 1 percent, repayable in 50 years with a moratorium on repayment of principal for the first 10 years.

Immediately after the Good Friday disaster, the Legislature of the State of Alaska—as an indication of its willingness to do all within its means to undertake the recovery of the stricken economy of Alaska—authorized the issuance of \$50 million worth of general revenue bonds. However, 50 percent of Alaska's economic base was destroyed by the earthquake and bond experts state that State bonds can only be marketed now at an interest rate of considerably more than 3½ percent, interest on \$25 million of State bonds over the course of 40 years would cost the State of Alaska more than \$18 million. If the interest rate could be reduced to three-quarters of 1 percent, with a moratorium on repayment of principal for the first 10 years, and repayment spread over 50 years, the saving to the State of Alaska

would be almost \$13 million and the repayment terms would be more within the means of the State.

What I suggested to the committee was that the Federal Government loan Federal funds to the State of Alaska at the same terms on which it makes loans to foreign countries under the foreign assistance program.

There are several reasons in support of this suggestion.

In the first place, the foreign loans are made at three-fourths of 1 percent interest whether or not there had been a disaster in the foreign country. Alaska has suffered a major disaster and should be entitled to at least equal treatment.

In the second place, there is no doubt that the loan to the State of Alaska will be repaid to the Federal Government. On the basis of past experience, there is considerable doubt that the foreign loans will ever be repaid to the United States.

In the third place the loan to the State of Alaska generates tax revenues. Our loans to foreign countries produce revenues for those foreign countries, not for the United States.

In the calendar year 1963 alone, AID made loans in the amount of over \$1 billion to 35 foreign countries at terms of three-fourths of 1 percent interest, moratorium of 10 years on the repayment of principal, and repayment of principal in 40 years.

A list of three-fourths of 1 percent loans made to foreign countries under the foreign assistance program appears on pages 14852 to 14854 of yesterday's RECORD.

As I have stated, the House committee lowered the interest rate to 3 percent. I am offering the House amendment at this point.

The amendment I offer will permit a moratorium for the first 10 years on the repayment of principal, thus easing the burden on the State for repayment during the course of a difficult time anticipated ahead. As stated, it permits the Administrator of HHFA to negotiate a lower rate of interest than 3 percent, if he deems it necessary because of the State's financial condition.

What lies ahead for the State of Alaska none of us can foretell. But in this matter of loans to the State, we should arm the Administrator of the HHFA with sufficient authority to act to meet any emergency needed to aid the State.

I hope that this amendment also will be adopted either here on the floor or in conference.

As I stated yesterday, the people of the State of Alaska are grateful to the people of the remainder of the United States for the compassion shown and the aid given. My seeking these amendments should not be interpreted as any lack of appreciation on my part for the dedicated efforts made on behalf of the State of Alaska and its people since March 27, 1964, by the able and distinguished senior Senator from New Mexico, or the hundreds of dedicated people in the executive branch of the Government.

But I would be doing less than my duty

to the people of the State of Alaska if I did not at this time point out that the Federal Government, with the expenditure of but a little more funds, would be able to obviate many inequities.

I think they should be obviated and hope that my amendments will be adopted.

EXHIBIT 1

JUNE 15, 1964.

Senator CLINTON P. ANDERSON,
Chairman, Federal Reconstruction and Development Planning Commission for Alaska, Washington, D.C.

DEAR SENATOR ANDERSON: This is in reply to your letter of June 1 questioning the amount of money proposed to be spent for urban renewal in Anchorage following the March 27 earthquake. I should like to offer observations on a number of points you raised.

(1) The very high figures you cited prove to be the very early estimates, made hastily, immediately after the earthquake. I am advised by the Alaska State Housing Authority that more complete figures are substantially reduced. For instance, the proposed Federal capital grant for the Anchorage downtown project has been reduced to \$17,672,160 and the Turnagain grant to \$689,238 (from \$28 million total) on the 75 percent basis.

(2) True, if Anchorage had to put up the sums involved, it would not embark on such programs. But this is the whole purpose of urban renewal, whether in normal times or in disaster: to help communities do what they could not do themselves.

(3) Anchorage simply has no spare capital funds. We seek the 90-10 formula, coupled with the State assisting on the local share, simply because without such complete State and Federal aid we would have to leave our slide areas in private ownership for owners to dispose of as they might be able to; furthermore, we could not restore facilities or roads beyond the minimum being done under Public Law 875 for many years to come.

(4) The Anchorage downtown project includes considerably more area than simply the portion devastated by slide activity. We had advised Mr. Dwight Ink that we needed the larger project so the increased tax revenues from the renewed downtown could help pay Anchorage's share of the cost of renewal under the 75-25 formula. If renewal is confined to the slide areas of Turnagain and the downtown area, where no private reuse will be possible because of unstable soils, there will be a net tax loss and thus no revenues to help the city pay its share of renewal; hence, we called for 90-10 assistance for these areas.

I hope this sufficiently clarifies Anchorage's position on this matter. Be assured we have no wish to spend any more public money than is absolutely necessary. I am confident that costs will continue to be reduced as more definite information becomes available and we will do all in our power to see that this is done. In the meantime, I hope it is understood that extensive aid continues to be needed and urban renewal is just one of the tools being used to provide it.

Sincerely yours,

GEORGE SHARROCK,
Mayor.

EXHIBIT 2

[From the Anchorage (Alaska) Daily Times,
June 26, 1964]

STUDY SHOWS DOWNTOWN NEEDS DRAINS,
BUTTRESSES FOR SAFETY—\$4 TO \$8 MILLION
ESTIMATED FOR COST OF SOIL STABILIZATION
WORK

A program of ground stabilization for the downtown business district—expected to cost between \$4 and \$8 million—was called for in a report given the city today by a team of Federal scientists and engineers.

The long-awaited report was the first of three to be issued on a months-long Anchorage area soils study started here after the March 27 earthquake. The study has been conducted by a team of consultants working for the U.S. Army Engineer District, Alaska, and the Federal Task Force 9.

Today's report continued the high risk designation for the downtown business district between E Street and Barrow and from the Alaska Railroad depot to the alley between Fifth and Sixth Avenues.

The remainder of the downtown area from E Street to the Inlet and south along L Street, will be included in the second report scheduled to be released July 6. A third report, covering the Turnagain residential district, is to be made on July 11.

City officials were briefed on today's report at a meeting held with Corps of Engineers and Task Force 9 personnel at the office of Col. Kenneth Sawyer, Alaska district engineer.

Mayor George Sharrock and Lyman Woodman, acting city manager, led the delegation of councilmen and city department heads attending the briefing.

While the report continued the high risk designation for the Fourth Avenue slide area it said the classification could be reduced to a nominal risk category through a program of soil stabilization.

The program would include removal of unstable soil and replacement with more stable material, regarding installation of drainage, and buttressing of the northern end of the slope area.

While the report did not include cost figures for such a program, preliminary unofficial estimates indicated it would run between \$4 and \$8 million.

The report is expected to be presented to Senator CLINTON ANDERSON, chairman of the Alaska Reconstruction Commission on his return to Washington Monday. The next step apparently will be an economic study of the feasibility of the proposed stabilization program and possible methods of financing.

Continuation of the "high risk" designation for the Fourth Avenue area apparently continues for the present the Federal Small Business Administration's freeze order on loans for new construction in the area. The freeze was announced earlier when a preliminary report first labeled the downtown area as a so-called high risk zone.

The slide areas were originally designated high risk in the preliminary report issued on May 19. That report was based on preearthquake reports and later surface studies. Since it was issued, an intensive program of core drilling has been underway to provide more complete data. Results of the drilling were incorporated in today's report.

The area covered in today's report includes the five-block section on the north side of Fourth Avenue between E and A Streets where business establishments were destroyed by the quake and slide. Also included is the Fifth Avenue location of the five-story J. C. Penney Co. building heavily damaged in the quake.

The Seattle engineering firm of Shannon & Wilson conducted the soils study which were the basis for today's report. Consultants for the study included Dr. L. Bjerrum, of Norway, an expert on unstable clay; Dr. Ralph Peck, soils foundation scientist; Dr. Harry Seed, University of California scientist; Dr. A. Spence, of Vancouver, British Columbia, soil consultant; and Dr. Neil Twelker, Seattle soil consultant. Engineers on the staff of the Army Corps of Engineers and geologists with the U.S. Geological Survey also participated in the study.

EXHIBIT 3

NATIONAL ASSOCIATION OF
MUTUAL SAVINGS BANKS,
New York, N.Y., June 10, 1964.

HON. HENRY M. JACKSON,
U.S. Senate, Washington, D.C.

DEAR SENATOR JACKSON: This is in response to your letter of June 4 and telegram of June 9 with respect to the problems and proposed legislation (S. 2881) concerning Alaskan properties damaged by the recent earthquake. I am pleased to have the opportunity to comment on these matters and to offer you precise information on the volume and status of Alaskan mortgage loans held by mutual savings banks.

You will note from the attached exhibits based on a direct survey made by our national association as of April 30, 1964, that 14 mutual savings banks in 7 States held 2,778 mortgage loans in Alaska, amounting to \$61,550,000. The bulk of these loans are insured by the Federal Housing Administration and are on one- to four-family properties. Only 32 loans totaling \$884,000 were secured by properties destroyed or beyond repair. As you can see, such loans account for only a little over 1 percent of the total—both number and amount.

Our information is that 4 of the 14 savings banks, having loans in Alaska, are covered by all-risk insurance. The coverage and terms of this insurance are not precisely known to us, but in at least one case, we know that the savings bank must take every legal action to recover whatever it can directly from the borrower before insurance proceeds are disbursed.

With respect to S. 2881, we urge the adoption of the amendment offered by Senator GRUENING, proposing a new section 57 authorizing the Federal National Mortgage Association to purchase FHA-insured loans, in an amount not to exceed \$10 million, on Alaskan properties destroyed or irreparably damaged as a result of the earthquake. This proposal is in line with the suggestion made in our letter of May 14, 1964, to Dr. Robert Weaver, Administrator of the Housing and Home Finance Agency, a copy of which was sent to you. As noted in that letter, current Federal actions provide relief only for those home mortgagors whose mortgage contracts happen to be held by FNMA or VA. Other home mortgagors, whose homes have been destroyed or irreparably damaged, but whose mortgage obligations are held by private lenders are being ignored. The Gruening amendment would go a long way toward correcting this inequity.

While we are aware that it is impossible to resolve all inequities arising out of tragic disasters, I hope you will agree that the Government should not knowingly discriminate among its citizens when it can readily avoid doing so. And the Gruening amendment offers an opportunity to deal more equitably with the plight of Alaskan homeowners than the proposals made and actions taken to date.

We urge the incorporation of section 57 in S. 2881, not only because of equity considerations to mortgage borrowers, but equally important because of the great needs Alaska has for expanded flows of private capital. Such capital will not be forthcoming unless private investors have confidence in the willingness and ability of the Federal Government to proceed equitably and imaginatively in dealing with emergency situations. The citizens of Alaska are able and willing to rebuild their State stronger than ever before and this can be done most effectively only through an accelerated flow of private capital.

In sum, the Gruening amendment appears eminently fair and feasible. We urge that you support it, not out of selfish concern for our industry—which you can see from the enclosed statistics stands to suffer only inconsequential losses—but out of broader considerations for the longer run welfare of Alaska and its citizens.

Thank you for your consideration of this letter.

Sincerely yours,

GROVER E. ENSLEY,
Executive Vice President.

Mr. GRUENING. Mr. President, I call up my amendments No. 1080, and ask that they be stated.

The PRESIDING OFFICER. The amendments offered by the Senator from Alaska will be stated.

The legislative clerk proceeded to read the amendments.

Mr. GRUENING. Mr. President, I ask unanimous consent that further reading of the amendments be dispensed with and that they be printed in the RECORD at this point.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendments offered by Mr. GRUENING (No. 1080) are as follows:

(1) On page 4 delete lines 22 through 24. On page 5, line 1, delete through the comma following the word "Seldovia".

(2) On page 6, lines 15 and 16, delete the figure "\$25,000,000" and the quotation mark at the end thereof and insert in lieu thereof the following: "\$25,000,000: *Provided further*, That the terms of repayment of such securities and obligations or loans shall be as follows: Repayment of the principal sum in fifty years from the date of the borrowing payable in equal annual payments beginning ten years after the money is lent at an annual interest rate not to exceed 3 per centum on the unpaid balance."

(3) On page 6, between lines 16 and 17, insert the following new section:

"Purchase of home mortgages

"Sec. 57. The Federal National Mortgage Association is authorized to repurchase at a cost not to exceed par any home mortgage insured by the Federal Housing Administration which is secured by property in Alaska which was lost, destroyed, or severely damaged as a result of the 1964 earthquake or subsequent seismic waves. Any such purchase shall be made from funds available to the Association for carrying out its special assistance functions pursuant to section 305 of the National Housing Act; except that the aggregate amount of such purchases shall not exceed \$10,000,000."

(4) On page 6, line 25, insert the following: "The total amount authorized to be appropriated pursuant to this section shall not exceed \$50,150,000."

(5) On page 7, after line 5, insert the following new section:

"Reporting

"Sec. 7. The President shall report semi-annually during the term of this Act to the President of the Senate and the Speaker of the House on the actions taken under this Act by the various Federal agencies. The first such report shall be submitted not later than February 1, 1965, and shall cover the period ending December 31, 1964."

Mr. LAUSCHE. Mr. President, will the Senator yield for a question?

Mr. GRUENING. I yield.

Mr. LAUSCHE. What expenditure on the part of the Federal Government would this amendment entail?

Mr. GRUENING. It would not exceed \$10 million.

Mr. LAUSCHE. What would be the aggregate expenditure entailed in the several amendments that have been offered?

Mr. GRUENING. I think the aggregate expenditure entailed in the several amendments would be \$10 million. There would be \$4 million additional for urban renewal and \$1 million if the interest were reduced from 3½ to 3 percent. I should say the total would not exceed \$15 million.

Mr. BARTLETT. Mr. President, will the Senator yield?

Mr. GRUENING. I yield.

Mr. BARTLETT. The Senator quoted a figure of \$4 million to be added to the cost of urban renewal. Other authorities—and I do not know that they are correct—suggest that a more nearly correct figure would be \$3,330,000.

Mr. GRUENING. I think it is well, in replying to a question, to state a somewhat larger amount, so as to avoid a misstatement on the wrong side. I should say it would not exceed \$4 million, and probably would be less.

Mr. LAUSCHE. For the purposes of information, may I ask if any Senator can answer what is the total expenditure or aid provided in the bill as it now stands, without any amendment?

Mr. ANDERSON. One would have to add the whole program together, and the whole program together runs to \$327 million. Out of a total of Federal assistance of \$393 million, there is a value of repayments of about \$66 million.

Mr. BARTLETT. Will the Senator yield for a question? Does that or does that not include small business loans?

Mr. ANDERSON. I would just as soon put into the RECORD figures from the whole table:

Small Business Administration, \$50 million of loan assistance, less the value of repayments of \$42,803,000. The subsidy, through the Small Business Administration, would amount to \$7,197,000.

For Internal Revenue tax forgiveness the amount is \$25 million.

For the Bureau of Commercial Fisheries the amount is \$700,000 of loans, the repayment value being \$657,000.

REA—loan forgiveness—amounts to \$5 million.

For VA, FNMA, HHFA—loan forgiveness—the figure is still uncertain.

Aid to State and local governments is as follows:

Office of Emergency Planning, \$80,122,000, without anything in the way of repayment.

Bureau of Public Roads, \$63,200,000.

There were heavy floods in the State represented by the Senator from Ohio. In his State the roads were put back into shape at a cost of one-half to the State of Ohio and one-half to the Bureau of Public Roads. In Alaska provision was made that the roads would be put back in shape at a cost of 94.9 percent to the Federal Government and only 5.1 percent to Alaska. Thereafter the State desired to have the roads built not for

the same capacity they previously carried, but to meet certain higher standards, and that raised the cost several million dollars. So out of the total sum, some \$63 million of the cost for that purpose will be on the shoulders of the Federal Government.

Transitional grants amount to \$23,500,000.

Alaska Railroad, \$27 million. That, however, is Government property. It operates generally at a loss. It is for the convenience of the people of Alaska, but it is federally owned property.

So the total runs to \$344 million for the Federal Government.

The figure for other Federal facilities amounts to \$49 million.

So the total Federal assistance amounts to \$393,246,000, of which Alaskans will repay \$66,228,000.

Mr. BARTLETT. Mr. President, will the Senator from Alaska enlighten me a bit? I know he has inquired very closely into the housing situation. I have made rather strenuous efforts to obtain information, and those efforts have not always been successful.

As I understand the amendment which he has now presented regarding action which he proposes be taken by the Federal National Mortgage Association, it differs from the amendment which he had presented to the Interior and Insular Affairs Committee. I should like to ask my colleague if he would be so good as to tell us those differences.

Mr. GRUENING. I do not know that there is any essential difference. This amendment provides that the FNMA organization will take out of its \$180 million funds \$10 million to purchase mortgages of homeowners which are now in the hands of banks.

Mr. BARTLETT. How much did the Senator say FNMA has?

Mr. GRUENING. It has available \$181 million out of the original \$200 million authorization. Consequently, the \$10 million which this amendment provides for is less than 6 percent of the available funds.

It is my understanding that the number of homes which would benefit under the amendment is approximately 120.

Mr. BARTLETT. One hundred and twenty would benefit by what amount?

Mr. GRUENING. It would vary, because the amount of the loans would be different, but I feel confident that the total amount would not exceed \$10 million, and might be less.

Mr. BARTLETT. Is my memory correct in recalling that the Senator's original amendment provided for purchase of these mortgages at par on the part of FNMA, but the amendment now before the Senate provides that the purchases shall be made, at the discretion of the administrator, up to par?

Mr. GRUENING. That is correct. I understand that that is a change that has been made in the House amendment.

Mr. BARTLETT. That is a rather essential change; is it not?

Mr. GRUENING. I think it is a very useful change.

Mr. BARTLETT. Some of the mortgages—perhaps all of them, for all I

know—were sold at a discount. Is that correct?

Mr. GRUENING. That is correct.

Mr. BARTLETT. As I understand, also—and I would like to have the Senator comment on this—the original action which was promptly and helpfully taken was that FNMA agreed, with respect to the mortgages it held in its own portfolio, that settlement would be made with those occupying the property, so that property owners could discharge their mortgage obligations, by means of SBA loans which would also be used for rebuilding. These loans would extend for a period of 30 years, at 3 percent interest, so that the monthly payments would be approximately the same as a houseowner was paying on his mortgage before the earthquake?

Mr. GRUENING. That is correct. I think that was a generous and wise proposal.

Mr. BARTLETT. And now the Senator proposes that it be enlarged by enabling FNMA to repurchase mortgages which it once held in its portfolio but which it subsequently sold to private financial institutions?

Mr. GRUENING. That is correct.

Mr. BARTLETT. At the same time, is it not true that there will be a large number of mortgagees who cannot be assisted even by these liberalizing amendments, because their mortgages, which may be conventional in nature, or which may be FHA insured, are held by, perhaps, a bank in Alaska, an insurance company in New York, or in Timbuktu, but which have not been purchased by the Federal National Mortgage Association? Is that correct?

Mr. GRUENING. Unfortunately, that is correct.

Mr. BARTLETT. Does the Senator have any information—and I have been unable to secure this information—as to how many homeowners whose properties were badly damaged or perhaps even destroyed might be included in the particular category which we are discussing?

Mr. GRUENING. No. It has been difficult to get that information. I sought to get it. This additional legislation would take care of a fairly substantial number of those whose homes have been totally or almost totally destroyed. To that extent it would furnish welcome relief to people who sorely need it.

Mr. BARTLETT. Mr. President, I have just been handed a statement, prepared, I infer, by the FHA, which treats the situation which my colleague and I have been discussing. I should like to read from it briefly.

It reads as follows:

Based on incomplete data obtained from a property damage survey made by the Alaska State Housing Authority, as well as from other sources, the following rough estimates have been made of magnitudes of outstanding mortgage debt on severely damaged or destroyed one- to four-family homes. Homes suffering value losses of 60 percent or more were classified as severely damaged or destroyed.

SUMMARY

(1) All severely damaged or destroyed properties—about \$11 million.

(2) All FHA-insured properties—about \$7 million.

(3) Mortgages sold by FNMA and held by mutual savings banks—less than \$1 million, based on estimates by National Association of Mutual Savings Banks. (Mutual savings banks hold more than 80 percent of the mortgages sold by FNMA.)

Mr. President, I wish to join my colleague in expressing thanks and gratitude and appreciation to all those who have come to the assistance of the State of Alaska since that terrible day of March 27 when the earthquake and seismic wave did such tremendous damage to the new State.

As the Senator from New Mexico [Mr. ANDERSON] has informed us already, early and constructive measures were taken by the Federal Government with almost unparalleled speed. Fifty million dollars was appropriated to the President for use by the Office of Emergency Planning. Not only will all of that go to Alaska, but, as the Senator from New Mexico stated a while ago, the total bill for the Office of Emergency Planning in Alaska will be on the order of \$80 million.

We know that from an early hour after the disaster struck, President Johnson interested himself in the welfare of the people of our State, and dedicated himself to the task of rebuilding. He has led ever since in that endeavor.

In this connection I wish to say, as I have said so many times in the past, that the services and dedication of the President's representative, Mr. Edward A. McDermott, Director of the Office of Emergency Planning, have been highly helpful to Alaska and to the Nation, and have revealed him, in my estimation, to be a very, very superior public servant.

With my colleague I likewise pay tribute to the many administrative agencies and to the many Members of Congress—including, certainly, my friends on the House Interior and Insular Affairs Committee and on the Appropriations Committee—who moved so quickly and so effectively. On this side of the Capitol, I believe that deserving of special mention in this connection is the senior Senator from New Mexico [Mr. ANDERSON]. He not only shouldered the burdens that were imposed upon him by reason of his having been designated by the Senator from Washington [Mr. JACKSON], to head the legislative effort, but he was also named by President Johnson as chairman of the Federal Reconstruction Commission, made up of all the Federal agencies which have a part to play in this rebuilding program.

It is a big one.

The job has been started.

It will be years in its completion. Never has so much of a State's productive area been absolutely wrecked by nature in a natural disaster in the space of a single day or within any time span.

The bill before the Senate, which I sincerely hope will be passed today, will be extraordinarily helpful in the reconstruction program.

I shall not detain the Senate with an analysis of every section of the bill, but I point out that one section would confer legislative authority upon the Chief of Army Engineers to approve certain projects on his own motion, to see that

harbors in Alaskan ports are rebuilt. The small harbors, which are so meaningful and even essential in the economic life of the Alaskan community will be rebuilt. We all recall that the small boat harbor at Seward was wiped out, that the harbor at Valdez was destroyed, that the harbor at Homer was seriously damaged, and that great damage was done to the one at Kodiak and Cordova; great damage was inflicted upon our harbors.

Because of this useful section in the omnibus bill, it will not be necessary to take every one of these projects before separate legislative committees. This provision does the job in a single package. I am particularly grateful that this is the case.

Speaking for myself, no matter how much the Federal Government assists reconstruction—and I wish to add that it is not only the instrumentality of government which has been so concerned, but all of the American people—it will be a long time before Alaska is made whole. It will be made whole again because of this help and because of the determination of the people of Alaska to make it so.

They turned to with a will within hours after the earthquake. When I and others arrived in Alaska, approximately 25 hours after the shock, men were already at work cleaning up in Anchorage and elsewhere. Machines and men were on the job. The people were not giving up.

I favor every liberalizing amendment that might be added to this bill.

I realize, also, that the Committee on Interior and Insular Affairs has given close, careful scrutiny to the proposal submitted by the Federal Reconstruction Commission and that, in its judgment, the bill now before the Senate is the one which ought to be passed and sent to the House for conference, if a conference is necessary.

Only an hour or two before the Senate began its discussion of S. 2881, I received a telephone call from Gov. William A. Egan of Alaska, who expressed, above all things, concern lest there be undue delay in the consideration and passage of the bill by Congress and its approval by the President. He said it is imperative that the bill be translated as soon as possible into effective action. I join the Governor of Alaska in that sentiment.

Mr. President, I ask unanimous consent to have printed at this point in the RECORD a statement in connection with the disaster itself.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT BY SENATOR BARTLETT

For years, Alaska citizens have worked to build a productive self-sufficient economy to create an independent, prosperous, and growing community and State. Alaska had come a long way in this endeavor when, last Good Friday, it was struck by a frightening and devastating combination of natural disasters—earthquakes, fires, floods, and tidal waves. At one blow the work of years was destroyed.

The private economy of the State of Alaska was left in a shambles.

Alaska will be rebuilt; there is no doubt of that. The people of Alaska are determined to recover what they have lost and to begin anew to develop America's last frontier.

The work of recovery is, of course, being done by Alaskans themselves; they are not, however, working alone. The American people and their Government have provided—as this bill before us so clearly illustrates will continue to provide—truly substantial assistance and support. Alaska reconstruction is a partnership and shows what this Federal Union is about.

From the very first shock of disaster the Federal Government and its officials up to the President himself were at work on an emergency basis to provide help and relief as it was needed.

The President designated the Director of Emergency Planning, Edward A. McDermott, as his personal representative for relief activities. Mr. McDermott, the junior Senator from Alaska [Mr. GRUENING], and I flew to Alaska hours after receiving the news of the disaster. Mr. McDermott and OEP officials worked literally around the clock for many days.

They have earned the respect and the gratitude of all Alaskans.

The full resources of the military in Alaska under the command of Lt. Gen. Raymond J. Reeves were made available for Alaska relief activities. Troops were used to assist local police. Military planes and trucks were used to provide emergency food and health supplies. Without the work of the Army, the Navy, and the Air Force the disaster hardships would have been a good deal worse.

The Small Business Administration, under the direction of Gene Foley, was quick to respond to Alaska's needs and quick to cut redtape and unnecessary administrative detail to see that disaster loans were processed and approved as quickly as possible.

It is suitable and true to say that each and every Government agency with an interest in Alaska responded to my State's need in a generous and efficient manner. Alaskans will never forget.

The bill before the Senate today is the fourth piece of legislation dealing with Alaska reconstruction to come before the Senate this session. Three of these measures are now law and it is my hope that the present bill will soon become so. This is a remarkable record and it is due in large part to the hard work and skillful leadership of the senior Senator from New Mexico (Mr. ANDERSON), who was appointed by the President as Chairman of the Federal Reconstruction and Development Planning Commission for Alaska. The Senator and the truly able staff of the Commission have provided the coordination and direction for the Federal reconstruction effort. It is their legislative proposals which we have acted upon and which we now consider.

Alaskans are also grateful to the Interior and the Appropriations Committees which have given Alaskan recovery their very highest priority. In fact, Alaska is deeply in debt to the full Senate which allowed these recovery measures to come to the floor as they were reported without delay. These bills were called up, debated, and passed even in the midst of the civil rights debate. Surely this is an indication of the interest and sympathy of the Senate for the hardship which Alaska is undergoing. This interest and sympathy is deeply appreciated by Alaskans.

The first measure of assistance to be approved by the Congress was House Joint Resolution 976. This was a supplemental appropriation of \$50 million for the President's disaster relief fund. This \$50 million and more besides has already been committed for expenditure in Alaska. The President requested the money on April 6. The House approved the request within minutes of re-

ceiving the Presidential message. The Senate followed suit shortly thereafter and the bill was signed into law the day after the request was received. I can think of no occasion in the 20 years in which I have been in Congress in which action came more quickly.

The last measure to receive approval was S. 2772 introduced by the chairman of the Interior Committee [Mr. JACKSON]. This bill provided the necessary legislative authority for an additional \$23½ million for transitional grants to the State of Alaska to assure the continuance of essential governmental functions at the State and local levels in spite of the expected drop in tax revenues. This bill was introduced on May 4. Hearings were held, the bill was reported, and it received the final approval of the Senate on May 13. It was passed by the House on the 18th and the President signed the measure on the 27th.

The next relief measure to receive the approval of the Congress was contained in the deficiency appropriation bill, H.R. 11201. This measure passed the House May 11 but without Alaskan items. These were added May 28 by the Senate. The House on June 4 accepted the Alaskan appropriations items which had been added by the Senate and the bill was approved by the President on June 9. As approved, the measure contained \$41,970,000 for Alaskan relief including \$20 million to rebuild the Port of Seward and the Alaska Railroad and \$17 million for transitional grants to the State.

These measures which have become law have been helpful. They have been important, but they are not more important than the bill before us today. I am confident that it, too, will receive as prompt and as sympathetic a hearing from the Senate as have the previous measures which I have discussed.

Any lingering doubts which may have remained in Alaska as to the merits of statehood were resolved on March 27, the date of the disaster. From that day to this Alaska has received from her sister States and from her Federal Government fair and equal treatment.

The measure as reported to the Senate contains several amendments which were not included in the bill as introduced.

One of these relates to the matching formula for urban renewal projects. Under existing law the upper limit of 75 percent Federal participation-25 percent local has been applied to Alaska projects. The Senate Committee on Interior and Insular Affairs has recommended that the Housing and Home Finance Administrator be permitted to increase the Federal capital grant to 90 percent for all disaster communities of 6,000 population or less. This would cover all the earthquake-stricken areas but Anchorage. The House Interior and Insular Affairs Committee in reporting the companion measure, H.R. 11438, has applied the 90-10 formula to all disaster communities including Anchorage. I am hopeful the Senate might act to apply the 90-10 formula also to Anchorage. The stricken communities of Alaska simply cannot afford the extra burden of urban renewal matching funds. They are struggling just to keep up with the necessary operation, maintenance and capital improvements of day-to-day living. The urban renewal projects necessary to restore Alaska would not have been necessary without the disaster.

Don Berry, executive director of Alaska Municipal League, has pointed out that the city of Seward will be operating at a deficit for the 1964 fiscal year and that the deficit will total about \$250,000 for the 1965 fiscal year. Prior to the earthquake, Anchorage expected an income of \$15 million in 1965. Its estimated net loss of income for the same period totals about \$2 million. Anchorage's present general obligation bonded indebtedness is an annual \$3 million, or 25 percent

of the total revenue. Kodiak, Mr. Berry states, which lost nearly all its commercial and tax base, still is faced with some \$60,000 in bonded indebtedness to pay annually. Since the Senate committee saw fit to lower the matching to 10 percent State or local participation for all but Anchorage, I would hope that a second look at the situation would show the necessity for including Anchorage.

The Senate committee approved an amendment to permit the Housing and Home Finance Agency to purchase State bonds authorized before the disaster at the prevailing interest rate, now 3½ percent, which would cover \$7.2 million in bonds which the State proposes to sell in early 1965. It has been estimated that the State would pay probably as high as 4½ or 4¼ percent on such bonds at this time.

I was glad that the committee adopted the amendment proposed in recognition of the difficult position the State now faces on the sale of such bonds.

The bill before us contains many liberalizing provisions of existing law which will give Alaska ammunition to assist in fighting for the recovery effort. The Housing and Home Finance Administrator would be permitted to purchase up to \$25 million of State of Alaska bonds issued to finance the State's share of earthquake reconstruction projects, or, alternatively, to make a loan to the State for this purpose at the prevailing interest rate, which is currently 3½ percent.

Indebtedness of the earthquake-affected borrowers of Farmers Home Administration and the Rural Electrification Administration would be adjusted.

One of the major provisions would allow the State of Alaska to match on a 94.9 Federal-51.1 State basis highway funds made available under the Federal aid highway program for reconstruction rather than the 50-50 formula now required in the emergency program for roads. It is believed that to replace all highways damaged will cost about \$65 million of which about half would go for Federal aid highways, and the remainder for forest highways. The provision in S. 2881 would permit the State of Alaska to match on the reconstruction of primary, secondary and urban roads on the same formula which prevails under the regular Federal aid highway program.

The earthquake and particularly the subsequent waves smashed and twisted and destroyed a number of small boat harbors in Alaska so vital to Alaska's economy which is in a very major way dependent on our fishery resources. S. 2881 would be of immeasurable assistance in its provision to authorize the Corps of Engineers to modify existing harbor authorizations up to a total of \$10 million. One of the main reasons for the urgency to pass the measure is to authorize this work. The administration has already submitted an appropriation request in the hope that before the short Alaska construction season ends work on the harbors can at least be initiated.

THE PRESIDING OFFICER. Is there objection to the consideration en bloc of the five amendments as set forth in amendment No. 1080? The Chair hears none, and it is so ordered.

MR. ANDERSON. Mr. President, notwithstanding all the generous things said by the distinguished Senators from Alaska about my efforts in connection with the Alaska disaster, my only desire is to get on with the work in Alaska. I hope the amendments will be rejected.

The geological work is now in process of being finished. I have been in communication with people in Alaska who are hopeful that it will be possible to get

to work at once. The bill before the Senate, as reported by the Committee on Interior and Insular Affairs, is a good bill, and will aid in that process.

Because of the cooperative attitude taken by the two Senators from Alaska, I shall not detain the Senate; I merely say: Let us vote.

THE PRESIDING OFFICER. The question is on agreeing to the amendments (No. 1080) en bloc.

The amendments were rejected.

MR. MAGNUSON. Mr. President, S. 2881 represents probably the final legislative measure to be considered by the Senate aimed to help Alaska recover from the severe economic blow caused by the March 27 earthquake and subsequent waves. We have acted speedily on all proposals sought by the administration, including increased funds for the President's disaster program to assist the Office of Emergency Planning in constructive works in the public sector. We have authorized a transitional grant for the State to help it and the stricken communities replace some of the lost tax revenue; we have appropriated funds—again for the public sector—to rebuild the Alaska Railroad, to make available the transitional grant money, to rebuild housing for the native people of Alaska, and to replace property damaged and destroyed which belongs to the Federal Government.

Now we are considering a bill to liberalize existing laws so that Alaska can go ahead with the job which needs doing. S. 2881 deals with important areas of the economic well-being of the State. It provides authorization to allow the Corps of Engineers to rebuild destroyed small boat harbors so important to the State's economy. It would allow the existing formula for State matching on Federal aid highways to be applied to emergency funds made available by the Bureau of Public Roads to reconstruct and rebuild vital transportation links. Instead of requiring the State of Alaska to match 50-50 with the Federal Government, Alaska would be required to match on the order of 95 percent Federal-5 percent State. Other provisions are vital.

Mr. President, on June 3 of this year I submitted a statement to the Senate Interior and Insular Affairs Committee on S. 2881, and I ask unanimous consent that my remarks be printed at this point in the RECORD.

There being no objection, the remarks were ordered to be printed in the RECORD, as follows:

STATEMENT BY HON. WARREN G. MAGNUSON, A U.S. SENATOR FROM THE STATE OF WASHINGTON

Mr. MAGNUSON. Mr. Chairman, the administration and the Congress have acted speedily in enacting legislation and appropriation measures to assist the people of Alaska to recover from the disastrous March 27 earthquake and subsequent seismic waves. These measures will help. However, without passage of the bill before you now, S. 2881, of which I am a cosponsor, that recovery will be jeopardized.

S. 2881 deals with vital areas more than merely touching the economic well-being of the State of Alaska. The provisions of the bill go to the very heart of the problem as we seek to find ways and means to restore functions of the communities crippled on

Good Friday. Those provisions deal with small-boat harbor and other navigation problems, with roads, with marketing of the State's bonds or loans to the State, with urban renewal and with several Federal programs which we seek to liberalize to meet the needs.

There is an imperative requirement that we approve these provisions without delay because the construction season—all too short in Alaska—is at hand. Every day which passes without the authority contained in this bill carries with it a threat to the reconstruction effort.

Mr. Chairman, 6 years ago, lacking but a few days, the Senate was debating the merits of the Alaska statehood bill and on the final day of June in that year 1958 passed the measure and sent it to the White House. The advocates of the statehood movement—and certainly this committee which had jurisdiction over that measure—had a devotion to the cause for many reasons, principal among them being the desire to promote the economic growth of this great area of ours. Such growth did result. But that growth was dealt a devastating blow 68 days ago when the very economic heart of Alaska was bruised and damaged by a catastrophe of a kind greater than experienced anywhere in our country by forces outside our control.

I contend that what has already been done for Alaska and what we are seeking here with S. 2881 is the very least, not the maximum of what should be done. Expansion of the provisions of this bill may be desirable, and in one area particularly is imperative. I speak now to the matching provisions for urban renewal projects. Such projects will permit a relocation of homes and businesses and comprise a program which offers major assistance. Under existing law, the maximum matching is on a 75 Federal-25 local basis. Perhaps in some of the communities in the disaster areas the local share can be met but certainly this is not true in all of them. These communities have lost considerable sums in tax revenues and even if reimbursed through transitional grants voted by the Congress, the costs of local shares in urban renewal are far above revenues necessary for normal operations. I urge, therefore, that consideration be given by this committee to permit when necessary a 90-10 matching formula in connection with urban renewal projects. This is an area where a liberal approach is logical and should be taken.

Other liberalizing proposals may be advanced, and I know the committee will consider them in the light of the great need outstanding.

The PRESIDING OFFICER. The bill is open to further amendment. If there be no further amendments to be proposed, the question is on the engrossment and third reading of the bill.

The bill (S. 2881) was ordered to be engrossed for a third reading, was read the third time, and passed.

Mr. JACKSON. Mr. President, I move that the Senate reconsider the vote by which the bill was passed.

Mr. ANDERSON. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

FOOD STAMP ACT OF 1964

Mr. MANSFIELD. Mr. President, I move that the Senate proceed to the consideration of Calendar No. 1066, H.R. 10222, the so-called Aiken food-stamp plan bill.

The PRESIDING OFFICER. The bill will be stated by title.

The LEGISLATIVE CLERK. A bill (H.R. 10222) to strengthen the agricultural economy; to help to achieve a fuller and more effective use of food abundances; to provide for improved levels of nutrition among economically needy households through a cooperative Federal-State program of food assistance to be operated through normal channels of trade; and for other purposes.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Montana.

The motion was agreed to; and the Senate proceeded to consider the bill which had been reported from the Committee on Agriculture and Forestry with amendments on page 2, line 5, after the word "among", to strike out "economically needy" and insert "low-income"; in line 13, after the word "households", to strike out "in economic need" and insert "with low incomes"; in line 20, after "(b)", to strike out "The term 'food' means any food or food product for human consumption except alcoholic beverages, tobacco, soft drinks, luxury foods, and luxury frozen foods as determined by the Secretary, and those foods which are identified on the package as being imported from foreign sources when they arrive at the retail store." and insert "The term 'food' means any food or food product for human consumption except alcoholic beverages, tobacco, those foods which are identified on the package as being imported, and meat and meat products which are identified as being from foreign sources when they arrive at the retail food store."; on page 5, after line 2, to insert:

(b) In areas where a food stamp program is in effect, there shall be no distribution of federally owned foods to households under the authority of any other law except during emergency situations caused by a national or other disaster as determined by the Secretary.

At the beginning of line 8, to strike out "(b)" and insert "(c)"; after line 12, to strike out:

SEC. 5. (a) Households eligible to participate in the food stamp program shall be those whose economic status is such as to be a substantial limiting factor in the attainment of a nutritionally adequate diet.

(b) Each State shall establish standards to determine the eligibility of applicant households which standards, among other things, shall take into account such of the factors used by each State in granting assistance under the federally aided public assistance programs as the Secretary determines will tend to effectuate the purposes of the food stamp program. The standards of eligibility to be used by each State for the food stamp program shall be subject to the approval of the Secretary.

And, in lieu thereof, to insert:

SEC. 5 (a) Participation in the food stamp program shall be limited to those households whose income is determined to be a substantial limiting factor in the attainment of a nutritionally adequate diet.

(b) In complying with the limitation on participation set forth in subsection (a) above, each State agency shall establish standards to determine the eligibility of applicant households. Such standards shall

include maximum income limitations consistent with the income standards used by the State agency in administration of its federally aided public assistance programs. Such standards also shall place a limitation on the resources to be allowed eligible households. The standards of eligibility to be used by each State for the food stamp program shall be subject to the approval of the Secretary.

On page 7, line 16, after the word "a", to insert "low-cost"; on page 12, line 9, after the word "required.", to insert "In approving the participation of the subdivisions requested by each State in its plan of operation, the Secretary shall provide for an equitable and orderly expansion among the several States in accordance with their relative need and readiness to meet their requested effective dates of participation."; at the top of page 13, to insert:

(g) If the Secretary determines that there has been gross negligence or fraud on the part of the State agency in the certification of applicant households, the State shall upon request of the Secretary deposit into the separate account authorized by section 7 of this Act, a sum equal to the amount by which the value of any coupons issued as a result of such negligence or fraud exceeds the amount that was charged for such coupons under section 7(b) of this Act.

On page 19, line 3, after the word "appropriated", to strike out "not in excess of \$25,000,000 for the fiscal year ending June 30, 1964;"; in line 8, after "1967", to insert a semicolon and "and not in excess of such sum as may hereafter be authorized by Congress for any subsequent fiscal year"; and at the beginning of line 22, to insert "If in any fiscal year the Secretary finds that the requirements of participating States will exceed the limitation set forth herein, the Secretary shall direct State agencies to reduce the amount of such coupons to be issued to participating households to the extent necessary to comply with the provisions of this subsection."

Mr. MANSFIELD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the order for the quorum call may be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ELLENDER. Mr. President, the main purpose of this bill is to bring under congressional control the rules, regulations and appropriation authorizations under which food stamp programs are to be operated in local areas throughout the country.

First, let me point out that food stamp programs are not new. A similar program called the food stamp plan was operated by the Department of Agriculture during the period 1939-43. That plan proved to be an effective method for increasing food consumption among participating households. It was discontinued in 1943 when wartime conditions had greatly reduced unemployment and substantially increased de-

mands upon U.S. food supplies. At the height of participation in 1942, there were 1,741 counties and 88 cities included in the program. Average monthly participation totalled 3.4 million persons in 1942 and Federal costs totaled \$112 million. In 1961, the first pilot food stamp project under the present program was inaugurated in McDowell County, W. Va. Pilot projects were gradually expanded. In March of this year they were in effect in 43 rural and urban areas in 22 States, with some 392,000 participants.

These pilot projects are operated under the basic authority of section 32 of the act of August 24, 1935, as amended, which authorizes expenditures to encourage the domestic consumption of agricultural commodities through "benefits, indemnities, donation, or by other means among persons in low-income groups as determined by the Secretary of Agriculture." This same authority was also used previously by the Department to operate the food stamp plan between 1939 and 1943, and it would be legally possible to continue food stamp programs under this general authority under the complete discretion of the Secretary of Agriculture. Section 32 provides no guidelines or congressional controls over the operating details or size of the program, and the pending bill would supply this need.

The pilot food stamp program has now been in effect for 3 years. During this period, the Department of Agriculture has gained experience which will minimize administrative problems in the conduct of the program as it is gradually expanded.

Of course, it is the intention of the Department to phase out the presently operating free food distribution programs as the food stamp program expands. Further, as I will point out later, the committee prohibits the operation of both programs in the same area, except in temporary emergency situations resulting from natural or other disasters.

In brief, this is how the program works. A State requests that a program be established in a certain area within its boundaries. That State develops a plan of operation and submits it to the Department of Agriculture. Upon approval by the Department, the State certifies low-income households as eligible under the program. These needy families then exchange the amount of money they would normally spend for food for coupons of a higher monetary value. The difference between the amounts the households pay and the value of the coupons received represents the Federal contribution.

During the 3 years the pilot program has been in effect, approximately \$56 million in the form of Federal food coupons was added to the \$91 million of their own cash that the participating families paid in order to obtain the additional food purchasing power.

The participating families use these coupons to purchase food out of regular commercial supplies at approved retail stores. Retailers redeem the coupons through the facilities of the commercial banking system. These procedures,

tested by experience, are used under the discretionary authority of the Secretary of Agriculture.

Generally speaking, the bill includes the desirable administrative features which were developed and tested by experience. In addition, the bill provides more detailed guidelines, and tightens the procedures where appropriate.

Under the bill the initiative for the establishment of a food stamp program in any area must originate with the State in which the area is located. The program is made available in any area only if the State requests it, submits a plan setting out eligibility standards consistent with other State programs, and actively participates in it, accepting the responsibility for local administration.

Two committee amendments apply in this area. First, the committee amended the bill to prohibit the distribution of federally owned foods to households under the authority of any other law in any area in which a food stamp program was effective, except during emergency situations. The effect of this would be to prevent both a food stamp program and a food distribution program from being conducted simultaneously in the same area. And second, the committee included language which would provide for an equitable and orderly expansion of the food stamp program among the several States in accordance with their need and readiness to meet their requested effective dates of participation.

To initiate the program in any State, the State agency responsible for the administration of federally aided public assistance programs would submit to the Secretary for approval a plan of operation for the food stamp program in its State, specifying the various political subdivisions in which the program would be effective, the standards to be used in determining the eligibility of applicant households, and other details.

In this connection the committee amended the bill to restrict participation to those households whose income is a limiting factor in the attainment of a nutritionally adequate diet, and to provide for use of income standards essentially the same as those used by the State in the administration of its federally aided public assistance programs. These same standards would apply to non-welfare assistance participants as well as welfare assistance participants.

In order to assure that the program would not be used to attempt to revolutionize well-established food habits and that the value of free coupons would not be such as to encourage uneconomical food expenditures, the committee added the words "low-cost" to the type of diet recommended by the Department as being the objective of the food stamp program.

The State welfare agency would be responsible for the certification of all applicant households and would be required to use the same care and diligence that it uses in other programs administered by it. An amendment was considered by the committee that would have provided for State participation in the cost of the bonus coupons for persons not on other relief programs administered by

the State. The idea was that such State financial participation would assure due diligence on the part of the State in certifying such persons. The committee felt that this would impose the most cost on those States which have the greatest need and are least able to pay. The committee recommended amendment which would require the State to pay all of the cost of the bonus coupons provided for persons improperly certified as a result of gross negligence or fraud. This would impose all of the cost of careless certification on the State not using proper diligence.

Mr. President, the committee felt that the adoption of this amendment would deter States from going all out to provide coupons for people who were not entitled to them.

Coupons would be redeemable at approved retail stores for any food or food products for human consumption, except alcoholic beverages, tobacco, those foods which are identified on the package as being imported, and meat and meat products which are identified as being from foreign sources when they arrive at the retail food store. This last exception is a committee amendment designed to prevent Federal funds being used to subsidize meat imports.

Mr. YOUNG of North Dakota. Mr. President, will the Senator yield?

Mr. ELLENDER. I yield.

Mr. YOUNG of North Dakota. This is one amendment that I am concerned about. Without this amendment, we could be embarking for the first time upon a program of subsidizing the use of foreign meat imports in this country. What would be the penalty for violation?

Mr. ELLENDER. The penalties are stated in the bill. It would provide for 1 year in jail and up to \$5,000 fine, if the value of the coupons used for the imported meats was less than \$100. If a greater value of coupons were involved the penalties could be up to 5 years in jail and up to a \$10,000 fine.

Mr. YOUNG of North Dakota. The same penalty as would be provided for the violation of any other misuse of coupons?

Mr. ELLENDER. Yes.

Mr. YOUNG of North Dakota. Is it the understanding of the Senator that this amendment would prohibit a retailer, for example, from importing a whole carcass of beef, and grinding it up in his store into hamburger and selling it?

Mr. ELLENDER. That is the purpose. As was stated in the executive session, a Senator had noticed that in many of the large food stores they had boneless meat which had been imported from Australia. It was mixed in with meat that had been produced in this country. It was all ground together in making hamburger.

The committee liked the language that the Senator from North Dakota submitted. It was his amendment. The committee unanimously adopted that amendment so as to make it as certain as possible that no foreign meats would be subsidized in this program.

Mr. YOUNG of North Dakota. I thank the Senator from Louisiana. I have supported a food stamp program

Digest of CONGRESSIONAL PROCEEDINGS

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

UNITED STATES DEPARTMENT OF AGRICULTURE

Washington, D. C. 20250

Official business

Postage and fees paid

U. S. Department of Agriculture

OFFICE OF
BUDGET AND FINANCE

(For information only;
should not be quoted
or cited)

Issued July 2, 1964

For actions of July 1, 1964

88th-2nd; No. 132

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HIGHLIGHTS: Senate debated pay bill. Senate committee reported road authorization bill. Senate committee approved meat-imports amendment. Senators were appointed to Food Marketing Commission. House passed foreign aid appropriation bill. House passed bill to extend time for filing tobacco allotment leases.

SENATE

1. PERSONNEL; PAY. Began debate on H. R. 11049, the Federal pay bill, rejecting amendments to exclude the legislative branch, etc. pp. 15175-86, 15210-31, 15242
2. ROADS. The Public Works Committee reported with amendments H. R. 10503, the road authorizations bill for 1966 and 1967 (S. Rept. 1162). p. 15136
3. MEAT IMPORTS. Sen. Byrd, Va., announced that the Finance Committee had approved a meat-imports amendment (p. 15217). The "Daily Digest" states that the committee voted to report (but did not actually report) H. R. 1839, providing for free importation of wild birds and animals for exhibition, "with Mansfield amendment No. 465 (restricting importation of beef, veal, lamb, and mutton into the U. S.) as modified by Curtis amendment No. 1085 (restricting the importation of such meats on a pound basis)." p. D537

4. FOOD MARKETING. Sens. Magnuson, McGee, Hart, Morton, and Hruska were appointed as Senate members of the National Commission on Food Marketing. p. 15242
5. COMMODITY CREDIT CORPORATION. Both Houses received from the Comptroller General an audit report on CCC for the fiscal year 1963. pp. 15130, 15135
6. MUSHROOM INDUSTRY. Received a Pa. legislature resolution asking protection for the mushroom industry. p. 15136
7. RADIATION. The Judiciary Committee reported without amendment H. R. 10437, to incorporate the National Committee on Radiation Protection and Measurements (S. Rept. 1155). p. 15136
8. RECREATION. The Judiciary Committee reported with amendments H. J. Res. 658, requesting the President to proclaim 1964 as "See America Year" (S. Rept. 1149). p. 15136
9. ELECTRIFICATION. Sen. Javits inserted the report of the Milton Eisenhower committee on electric resources and the future. pp. 15138-42
10. POVERTY. Sen. Lausche criticized the President's poverty program (p. 15173). Sen. Javits inserted ideas on the poverty program resulting from a New York University conference (pp. 15231-4).
11. AREA REDEVELOPMENT. Sen. Hartke inserted an editorial defending the area-redevelopment project for North Vernon, Ind., against criticism by Reader's Digest. p. 15238
12. WATERSHEDS. The Public Works Committee approved watershed projects for Hiawassee River, Ga.; Muddy Creek, Kans.; Presque Isle Strait, Me.; and West Fork of Duck Creek, O. p. D537

HOUSE

13. ALASKA RELIEF. Rep. Albert asked permission for S. 2881, the Alaska relief bill, to be taken up today under a motion to suspend the rules and pass the bill, but withdrew the request after Rep. Halleck indicated that he had not had sufficient opportunity to check into the matter. pp. 15067-8
Rep. Pelly criticized the Senate's action in rejecting certain "liberalizing amendments" to S. 2881, stating that "Alaska has received rather shabby treatment in relation to her reconstruction needs..." p. 15027
14. FOREIGN AID. By a record vote of 231 to 174 passed, without amendment, H. R. 11812, the foreign aid appropriation bill. pp. 15027-65
The bill includes \$204,600,000 for economic assistance development grants, \$134,272,400 for contributions to international organizations and programs, \$85,000,000 for Alliance for Progress development grants, \$425,000,000 for Alliance for Progress development loans, and \$87,100,000 (plus \$17,000,000 of funds previously appropriated) for the Peace Corps.
15. APPROPRIATIONS. Rep. Mahon inserted tabulations of appropriation bills processed by the House to date. p. 15065
16. TOBACCO. Passed without amendment H. J. Res. 1026, to extend time by which a lease transferring a tobacco acreage allotment may be filed. p. 15067
Rep. Kornegay inserted an editorial criticizing FTC's rule requiring the labeling of cigarettes as a health hazard. pp. 15069-10

The appropriation bills, 88th Cong., 2d sess., as of July 1, 1964—Continued

[Does not include any back-door appropriations or permanent appropriations ¹ under previous legislation. Does include indefinite appropriations carried in annual appropriation bills]

Title and bill No.	Senate					Final appropriation		
	Budget estimates to Senate	Amount as passed	Senate action compared with—			Amount as approved	Final action compared with—	
			Prior year appropriations	Budget estimates	House action		Prior year	Budget estimates
Legislative (H.R. 10723):								
1965 regular appropriations								
1964 supplementals								
Labor-HEW (H.R. 10809):								
1965 regular appropriations								
1964 supplementals								
Defense (H.R. 10939):								
1965 regular appropriations								
1964 supplementals (by transfer)								
State, Justice, Judiciary (H.R. 11134):								
1965 regular appropriations								
1964 supplementals								
Agriculture (H.R. 11202):								
1965 regular appropriations								
Loan authorization								
1964 supplementals								
Independent offices (H.R. 11296):								
1965 regular appropriations								
1964 supplementals								
Military construction (H.R. 11369):								
1965 regular appropriations								
Public works (H.R. 11579):								
1965 regular appropriations								
Foreign assistance (H.R. 11812):								
1965 regular appropriations								
Total, 1965 regular	\$7,267,594,000	\$7,233,977,400	+\$234,098,900	—\$33,616,600	+\$32,081,800	\$978,959,200	—\$24,546,700	—\$19,943,800
Total, 1964 supplementals (included in 1965 bills)	37,058,000	35,672,000		—1,386,000	+\$2,972,000	34,208,000		—2,850,000
Total, all appropriations	9,122,517,743	9,000,974,643		—121,543,200	+\$119,777,254	2,731,542,343		—122,284,400
Total, loan authorizations	(20,000,000)	(14,000,000)	(+8,000,000)	(—6,000,000)		(14,000,000)	(+8,000,000)	(—6,000,000)

¹ Tentatively estimated in January budget at about \$11,800,000,000 for fiscal year 1965.

² This resolution passed both Houses in 88th Cong., 1st sess. House bill included \$11,886,000 for activities to combat mental retardation; Senate bill added \$216,204,000 for "Payments to school districts." Resolution not finally adopted in 1st sess.

³ Action renewed in 88th Cong., 2d sess.

⁴ Estimates submitted to Congress in H. Doc. 203, dated Jan. 21, 1964, considered as follows: "Payments to school districts," \$216,204,000 (previously added by Senate); "Defense educational activities," \$31,168,000; "Compliance activities, Mexican farm labor program," \$430,000.

⁵ Resolution not actually reported by Appropriations Committees for House or Senate consideration. Figures shown for balancing purposes. Amounts shown as

reported and passed by Senate include \$31,168,000 for "Defense educational activities" and \$430,000 for "Compliance activities, Mexican farm labor program."

⁶ Excludes Senate items.

⁷ Amount of \$5,200,000,000 reported for National Aeronautics and Space Administration eliminated on point of order due to lack of legislative authorization.

⁸ Final amount appropriated includes \$41,886,000 for activities to combat mental retardation; \$216,204,000 for "Payments to school districts"; \$31,168,000 for "Defense educational activities"; and \$430,000 for "Compliance activities, Mexican farm labor program."

NOTE.—Totals reflect amounts approved and comparisons at latest stage of congressional action on each bill.

EXTENSION OF TIME TO FILE 1964 TOBACCO ALLOTMENT LEASES

Mr. ABBITT. Mr. Speaker, I ask unanimous consent for the immediate consideration of House Joint Resolution 1026 to amend section 316 of the Agricultural Adjustment Act of 1938 to extend the time by which a lease transferring a tobacco acreage allotment may be filed.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Virginia?

There being no objection, the Clerk read the House joint resolution, as follows:

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That subsection (g) of section 316 of the Agricultural Adjustment Act of 1938, as amended, is amended by striking out "1962" wherever it appears in said subsection and substituting therefor "1964".

SEC. 2. Subsection (h) of said section 316 is hereby repealed.

The House joint resolution was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

COMMITTEE ON WAYS AND MEANS

Mr. MILLS. Mr. Speaker, I ask unanimous consent that the Committee on Ways and Means may have until midnight Tuesday, July 7, to file a report, including any supplemental views there may be, on H.R. 11865.

The SPEAKER. Is there objection to the request of the gentleman from Arkansas?

Mr. GROSS. Mr. Speaker, reserving the right to object, what is this bill all about?

Mr. MILLS. It is a bill ordered reported by the committee today. This request was agreed to in the committee by all members present that the committee have until midnight Tuesday, July 7, to file a report. It has to do with social security.

The SPEAKER. Is there objection to the request of the gentleman from Arkansas?

There was no objection.

AMENDING THE ALASKA OMNIBUS ACT

Mr. ALBERT. Mr. Speaker, I ask unanimous consent that it may be in order tomorrow, Thursday, for the

Speaker to recognize a Member for the purpose of moving to suspend the rules and pass the bill, S. 2881, as amended.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Oklahoma?

Mr. HALLECK. Mr. Speaker, reserving the right to object, what is that bill?

Mr. ALBERT. It is a bill to amend the Alaska Omnibus Act to provide assistance to the State of Alaska for the reconstruction of areas damaged by the earthquake of March 1964, and subsequent seismic waves, and for other purposes.

Mr. HALLECK. Mr. Speaker, I had understood that certain further negotiations were to be had in respect to this matter. I must be constrained to object at this time. I do not understand that we have reached that point in agreement.

Mr. ALBERT. I had understood that the minority leader agreed to have it set down for suspension tomorrow.

Mr. HALLECK. No; I never made any such agreement.

Mr. ALBERT. I did not get the agreement directly from the gentleman, although I did discuss it with him.

Mr. HALLECK. I have as much solicitude for the people of Alaska as anybody. This bill passed in the other body, and there were some suggestions made that possibly adjustments could be made. But there has been no discussion, so far as I know, with Members on our side. There might have been, I do not know. But I would hope that the majority leader will not press the request at this time.

Mr. ALBERT. If the gentleman will yield, the gentleman from Pennsylvania [Mr. SAYLOR] spoke to me and said the only reservation he had was that it would be brought up with amendments, and with amendments that had been agreed to, and I told him that was my understanding.

Mr. HALLECK. As far as I am concerned, I have had no opportunity to check with anybody about the amendment or generally with the members of the committee on our side. I have understood there were substantial changes made in the other body. As to just what the amendments are to be, in respect to the suspension, if it is ordered here, I do not know. I must say that until we can have some better understanding on our side about it, and I do not know what can transpire tomorrow and do not want to be standing in the way unnecessarily, I just feel we ought to have a little better understanding of what we are undertaking to do.

Mr. RIVERS of Alaska. Mr. Speaker, will the gentleman yield?

Mr. HALLECK. I yield.

Mr. RIVERS of Alaska. May I say to the gentleman that I processed this with the gentleman from Pennsylvania [Mr. SAYLOR]. Senator ANDERSON discussed it with me on the phone and said he was going to call the gentleman from Indiana [Mr. HALLECK] and that I was to clear the matter with the gentleman from Pennsylvania [Mr. SAYLOR]. We went over the amendatory material and fully agreed, exactly as Senator ANDERSON prescribed. Mr. SAYLOR was going to speak to the gentleman from Indiana. Otherwise, I never would have passed this on to the gentleman from Oklahoma [Mr. ALBERT].

Mr. HALLECK. The gentleman from Pennsylvania is not here at the moment. I think he did speak to me, now that the gentleman has mentioned it. It is true that the Senator did call me, because originally he had some serious misgivings about some of the provisions. I knew about that. I understand some changes were made, but I have had no opportunity to go over the matter. If this request is made for tomorrow, it will be in order tomorrow as well as today. All I am undertaking to do is determine just what the situation is about this special order for a suspension.

Mr. ALBERT. Mr. Speaker, I withdraw my request.

Resolved, That, notwithstanding the provisions of H. Res. 38, Eighty-eighth Congress, the chairman of the Committee on Agriculture of the House of Representatives is hereby authorized to carry out the committee's statutory responsibility for legislative oversight of Public Law 480, Eighty-third Congress, by designating and directing not to exceed five members and not to exceed two employees of the committee to conduct studies and investigations of operations under Public Law 480 between the dates of July 5 and July 20, 1964, in Brazil and while en route to and from Brazil in such other Central American and South American countries as the chairman may direct.

Notwithstanding section 1754 of title 22, United States Code, or any other provisions of law, local currencies owned by the United States shall be made available to the members of the committee and employees engaged in carrying out their official duties under section 190(d) of title 2, United States Code: *Provided*, (1) That no member or employee of said committee shall receive or expend local currencies or appropriated funds for subsistence in an amount in excess of the maximum per diem rates approved for oversea travel as set forth in the Standardized Government Travel Regulations, as revised and amended by the Bureau of the Budget; (2) that no member or employee of said committee shall receive or expend an amount for transportation in excess of actual transportation costs; (3) no appropriated funds shall be expended for the purpose of defraying expenses of members of said committee or its employees in any country where counterpart funds are available for this purpose.

That each member or employee of said committee shall make to the chairman of said committee an itemized report showing the number of days visited in each country whose local currencies were spent, the amount of per diem furnished, and the cost of transportation if furnished by public carrier, or if such transportation is furnished by an agency of the United States Government, the identification of the agency. All such individual reports shall be filed by the chairman with the Committee on House Administration and shall be open to public inspection.

Mr. YOUNG. Mr. Speaker, I have no request for time. I yield 30 minutes to the gentleman from Illinois [Mr. ANDERSON].

Mr. ANDERSON. Mr. Speaker, I merely wanted an opportunity to say that this had been cleared with the minority leader of the Committee on Rules. It has been cleared in the usual form. It contains the usual provisions with respect to the expenditure of counterpart funds.

I did want to yield briefly to the gentleman from Iowa [Mr. GROSS].

Mr. GROSS. I thank the gentleman for yielding.

Do I correctly understand that this resolution gives authority to the Committee on Agriculture to go to Brazil, to investigate what?

Mr. YOUNG. The resolution does give authority to the Committee on Agriculture to go to Brazil to investigate matters pertaining to their responsibility in connection with the oversight of the Public Law 480 program.

Mr. GROSS. What, specifically, does that mean, oversight in connection with the Public Law 480 program?

Mr. YOUNG. I yield to the gentleman from Texas [Mr. POAGE].

Mr. POAGE. The Committee on Agriculture has responsibility for Public

Law 480. Under that program we spent \$1,900 million last year. It will run something like that this year. Approximately \$2 billion of American goods are shipped out of this country each year under what is called Public Law 480.

There are questions and many of them. I am sure the gentleman from Iowa is as familiar with those questions as any man on the floor of the House. There is the question of how these commodities are handled—whether they are actually serving the purposes that were intended—why we should continue some of the programs that are being conducted—whether for instance we should continue the program of making grants rather than loans which the committee feels was probably a perversion of the original legislation.

There are a whole multitude of questions of that kind. We are spending the second largest amount of money in the world in Brazil. India is the largest recipient of our gratuities at this time.

For a long time the Committee on Agriculture has felt and it feels now rather than be precluded from knowing what is going on, we ought to spend a great deal of time trying to know what is going on and that we are to follow these \$2 billion and know something more about it than we do now. The Members of the House properly asked us about all these things and we find ourselves saying—Yes, I said so and so—the same as you did.

Mr. GROSS. Is the committee going to go into the situation whereby we have been peddling wheat at bargain prices for Brazilian currency and other currencies in South America? Now we find that under the International Coffee Agreement the consumers of this country are being gouged by rocketing coffee prices. Is the committee going to give any attention to this situation?

Mr. POAGE. I would not say we are going into the coffee situation because that does not come under Public Law 480.

Mr. GROSS. That may be, but it is certainly related to these wheat transactions.

Mr. POAGE. I would say we are going into the wheat and sugar situation because we think they do come under our jurisdiction. We have felt for years past, and our committee did raise the question, that without any ability to have any firsthand knowledge, we are at a disadvantage. We know that last year, for instance, we authorized Brazil to sell us 225,000 pounds of sugar.

Mr. GROSS. Will the committee find out why we do not trade our wheat for their coffee?

Mr. POAGE. That is exactly one of the things we would like to know. I am not going to tell you at this time that we will find out, but we will get somebody's answers.

Mr. GROSS. I will give the gentleman one answer because I asked the former Finance Minister of Brazil that question when he appeared before the Foreign Affairs Committee. The Finance Minister of Brazil at that time said his government would not trade coffee for wheat because "We have to have your dollars for our coffee."

PUBLIC LAW 480, 83D CONGRESS

Mr. YOUNG. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 792 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

network operations. The total amount authorized for this item is \$261,900,000.

Amendment No. 8: This is a conforming amendment which specifies the revised total authorization for construction of facilities resulting from the restoration of funds included in Senate amendments Nos. 9, and 11 through 16.

Amendment No. 9: NASA requested \$2,630,000 for the construction of a flight simulator for the advanced aircraft facility at Ames Research Center. The House deferred this project. The Senate amendment No. 9 restored this item. Testimony taken by the Senate subsequent to the House action convinced the managers on the part of the House that a need exists for this simulator in order to conduct experiments in connection with supersonic transports and to meet requirements of FAA and DOD. Consequently, the managers on the part of the House receded and agreed to the restoration of this item.

Amendment No. 10: The Senate amendment specifies the location of the Electronics Research Center as the Boston, Mass., area.

Amendments Nos. 11 through 16: NASA requested \$224,910,000 for the Office of Manned Space Flight for construction of facilities. The House reduced this amount by \$21,491,000. The Senate amendments Nos. 11 through 16 restored \$10,245,500 of this amount. In conference, the managers on the part of the House agreed that the House reduction was too severe because the major portion of the facilities are operational in nature and are in support of the flight schedules for Gemini and Apollo. Consequently, the House receded and agreed to the restoration of these construction items. Further, the conferees recognized the need for public facilities at the John F. Kennedy Space Center. It is the sense of the conferees that the restored funds will allow start of construction of the necessary public facilities.

An additional restoration of \$1,670,000 for an Apollo Network Ground Station in the Northwest Pacific area contained in Senate amendment No. 16 was originally deferred by the House. Subsequently, NASA selected a site at Guam for this tracking station. Later testimony before the Senate showed that construction of this station must be started at once if it is to be operational when needed. In view of the foregoing, the managers on the part of the House receded and agreed to the restoration.

Amendment No. 17: NASA requested \$641 million for administrative operations. The House approved \$617,525,500. The Senate amendment No. 17 restored \$11,737,250. The Senate conferees receded and agreed to limit the restoration to \$6 million. The total reduction is therefore \$17,474,500, resulting in an authorization of \$623,525,500 for administrative operations.

Amendment No. 18: This is a conforming amendment which revises the ceiling related to construction of facilities in keeping with the actions of the conferees.

GEORGE P. MILLER,
OLIN E. TEAGUE,
JOSEPH KARTH,
KEN HECHLER,
JOSEPH W. MARTIN, JR.,
JAMES FULTON,
J. EDGAR CHENOWETH,

Managers on the Part of the House.

ALASKA TREATED SHABBILY

(Mr. PELLY asked and was given permission to extend his remarks at this point in the RECORD.)

Mr. PELLY. Mr. Speaker, reluctantly, I have been forced to the conclusion that in the overall, Alaska has received

rather shabby treatment in relation to her reconstruction needs arising out of the damage due to the earthquake of March 1964.

The executive agencies of our Government certainly responded promptly and with sincere sympathy, and I am not unmindful of Federal assistance rendered. In fact, I obtained a table from the Federal Reconstruction and Development Planning Commission for Alaska and the estimates indicate authorized amounts for relief of one kind or another will amount to between \$300 and \$400 million.

But, Mr. Speaker, this seems to me rather meager in view of the losses and it is slow.

On the other hand, compare what the Federal Government did under foreign aid toward earthquake relief.

To Communist Yugoslavia we gave immediate relief of \$450 million, with no strings. Then we added another \$70 million.

Chile received an immediate \$100 million special appropriation.

But with Alaska, and our fellow American citizens, we raise all kinds of technicalities. We do little for the private sectors of the economy.

Yesterday, I regret, the Senate rejected some liberalizing amendments to the Alaska Omnibus Act (S. 2881). I do not like to complain, but I had hoped more could have been done. As I say, compared to foreign aid, in my opinion, Alaskans have received rather shabby treatment.

REPORT OF NATIONAL AERONAUTICS AND SPACE ADMINISTRATION—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES (H. DOC. NO. 314)

The SPEAKER laid before the House the following message from the President of the United States, which was read and, together with accompanying papers, referred to the Committee on Science and Astronautics and ordered to be printed with illustrations:

To the Congress of the United States:

Pursuant to the provisions of the National Aeronautics and Space Act of 1958, as amended, I transmit herewith a report of the projects and progress of the National Aeronautics and Space Administration for the period of January 1, 1963, through June 30, 1963.

This report covers 6 months of significant and encouraging activity in the national space program. The breadth of performance promises subsequent periods of even greater accomplishment in meeting the challenge of space.

LYNDON B. JOHNSON.

THE WHITE HOUSE, July 1, 1964.

CALL OF THE HOUSE

Mr. SPRINGER. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

Mr. ALBERT. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 175]

Ashley	Hoffman	Powell
Avery	Hollifield	Rains
Bass	Johnson, Calif.	Robison
Bennett, Mich.	Johnson, Pa.	Rogers, Tex.
Bolling	Kilburn	St. Germain
Bolton	Lankford	Senner
Frances P.	Lesinski	Sisk
Bruce	Lloyd	Smith, Calif.
Cramer	McFall	Staggers
Davis, Ga.	Miller, N.Y.	Tollefson
Diggs	Morrison	Williams
Evins	Moss	Wilson, Bob
Forrester	Norblad	
Hanna	P. Icher	

The SPEAKER. On this rollcall, 389 Members have answered to their names, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

HEARING BEFORE A SELECT PANEL ON MISSISSIPPI AND CIVIL RIGHTS

Mr. BURTON of California. Mr. Speaker, I ask unanimous consent that my remarks which appeared in the Appendix of the RECORD of June 15, 1964, at pages A3228 to A3231 be included in the body of the permanent RECORD during the special order of the gentleman from New York [Mr. RYAN] to follow the remarks of the gentleman from Pennsylvania [Mr. NIX], and to precede the remarks of the gentleman from California [Mr. EDWARDS]. Mr. RYAN's special order appears in the RECORD of June 16, pages 13507 to 13524.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

CORRECTION OF THE RECORD

Mr. MAHON. Mr. Speaker, I ask unanimous consent to correct a printing error in my remarks made in the Committee of the Whole on yesterday, as follows:

The top of the middle column of page 14992 reads in part as follows: "if their vote meant that there would be no program and meant complete abandonment to communism of key areas of the world, those who voted against foreign aid would stand up and say, 'Yes, I voted for it.'"

The statement ought to read: "if their vote meant that there would be no program and meant complete abandonment to communism of key areas of the world—those who in the past have voted against foreign aid would now stand up and say, 'Yes, I now vote for it.'"

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

FOREIGN ASSISTANCE AND RELATED AGENCIES APPROPRIATION BILL, 1965

Mr. GARY. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the further considera-

tion of the bill (H.R. 11812) making appropriations for foreign assistance and related agencies for the fiscal year ending June 30, 1965, and for other purposes.

The SPEAKER. The question is on the motion offered by the gentleman from Virginia.

The motion was agreed to.

IN THE COMMITTEE OF THE WHOLE

Accordingly, the House resolved itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill H.R. 11812, with Mr. PRICE in the chair.

The Clerk read the title of the bill.

The CHAIRMAN. When the Committee rose on yesterday, the Clerk had read through line 5, page 1 of the bill.

If there are no amendments at this point, the Clerk will read.

LEGISLATIVE PROGRAM

Mr. ALBERT. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I take this time to make an announcement to the Members of the House, one in which all Members are interested. Following the disposition of this pending legislation and the resolution dealing with civil rights, and probably the conference report on the NASA authorization bill tomorrow—and there may be another conference report or two—it will be our intention to move to adjourn at the close of business tomorrow over until July 20. There is a possibility that votes on some of these matters could come up today, if they are ready.

Mr. Chairman, I would like also to state in this regard that we feel these extra few days of recess are in order. The House has been proceeding with business while the Senate has been debating for many days the civil rights bill. Today we will have finished the last of the regular appropriation bills which I believe is a pretty good record in itself. It is the first time, I believe, that we have done this this early in the year in several years. So I know we have the time. I know that the Senate has to catch up with us and I for one am very happy that we are able to do this.

Mr. HALLECK. Mr. Chairman, will the gentleman yield?

Mr. ALBERT. I yield to the gentleman from Indiana.

Mr. HALLECK. Mr. Chairman, I want to say to the gentleman from Oklahoma [Mr. ALBERT], the very distinguished majority leader, that I certainly appreciate this information, as I am sure all Members on both sides of the aisle appreciate the information.

I further want to say to the gentleman that as far as I am concerned, and I am sure I speak for all of the Members on my side of the aisle, I appreciate the consideration and the courtesy that has been shown us in connection with this matter since it particularly involves us on this side of the aisle in respect to our convention, the opening sessions of which will be coming on next Monday out in San Francisco.

Mr. Chairman, I would like to say further, so there will be no misunderstanding, that in the discussions we have had looking to the accomplishment of this announcement, I have found the leadership on the majority side of the aisle to

be most desirous of being helpful and understanding of the position in which some of us found ourselves. I have known from the beginning what the desires of the Speaker and the majority leader and others in a position of leadership on the Democratic side of the aisle have been and what their position has been. So, I thank the gentleman.

If the gentleman will yield further, could I put this one further question? As I understand it, a recess resolution will be offered as we come to the conclusion of business tomorrow?

Mr. ALBERT. The gentleman is correct.

Mr. HALLECK. So that except in the event of some emergency under which the President could call us back, we would know that there would be no business on the floor of the House of Representatives until this date, July 20?

Mr. ALBERT. The gentleman is correct. Of course, we will have to wait until the Senate acts on the resolution.

Mr. HALLECK. I understand that.

Mr. ALBERT. I want to say to the gentleman and to the other Members of the House that we have had to make this announcement contingent upon the disposition of certain very important bills, as all Members I am sure know.

We could not come to this conclusion until our House was in order in that regard.

Mr. HALLECK. Will the gentleman yield for just one further observation?

Mr. ALBERT. I yield to the gentleman from Indiana.

Mr. HALLECK. I certainly appreciate that fact, and so far as we could on our side of the aisle we have attempted to cooperate in bringing about action on those measures in respect to which the gentleman referred.

Having said as much, may I again thank the majority leader and the Speaker for the consideration that they have shown us. This is the earliest the announcement could be made. Many had hoped it might be made earlier, but I think it is made in time so that Members who want to can avail themselves of the opportunity that will be presented for us on our side to go to our convention and for Members not going to the convention and certainly Members on the gentleman's side who want to do certain things during the 2 weeks' recess will have an opportunity to make their plans accordingly.

Mr. GARY. Mr. Chairman, I move to strike the last two words.

Mr. Chairman, it has come to my attention that those who desire to offer the main amendments to this bill would like to offer them en bloc. Personally, I think that would be a very good way to consider the matter. It would save time, it would expedite proceedings, but in order to do so it becomes necessary that I make a unanimous-consent request.

Mr. Chairman, I ask unanimous consent that the bill be considered as read, and open to amendment at any point.

The CHAIRMAN. Is there objection to the request of the gentleman from Virginia

Mr. RHODES of Arizona. Mr. Chairman, reserving the right to object, I should like to propound a question of the gentleman from Virginia:

May I ask him as to his attitude on cutting off debate on these amendments? It strikes me, with the amendments being offered en bloc, we should be generous with time, we should be generous with those Members on the committee, and the subcommittee, particularly, who might desire to have an extra period of time for debate. All in all, we want to make sure those Members who have not had a chance to express themselves will have that opportunity.

Mr. GARY. I am certain that the gentleman is asking that question for the benefit of the House, not for himself. The gentleman is well enough acquainted with me to know that I have never had any desire to cut off reasonable debate. I believe these matters should be fully debated and everyone should have an opportunity to express himself. Sometimes, of course, as debate drags on it does become necessary to offer a motion; but I assure the gentleman that before offering a motion of that kind I will consult with him and it will not be offered without his approval.

Mr. RHODES of Arizona. The gentleman from Virginia is always fair. He is absolutely correct. I merely asked the question for the information of the Members of the House, and not for myself. Of course, I knew what his attitude would be.

The CHAIRMAN. Is there objection to the request of the gentleman from Virginia?

There was no objection.

AMENDMENTS OFFERED BY MR. PASSMAN

Mr. PASSMAN. Mr. Chairman, I offer an amendment in six parts.

The Clerk read as follows:

Amendments offered by Mr. PASSMAN:

On page 2, line 9, strike out "\$204,600,000" and insert "\$175,000,000";
On page 2, line 15, strike out "\$134,272,400" and insert "\$124,272,400";
On page 2, line 17, strike out "\$405,000,000" and insert "\$354,000,000";
On page 2, line 19, strike out "\$150,000,000" and insert "\$100,000,000";
On page 2, line 23, strike out "\$425,000,000" and insert "\$400,000,000";
On page 2, line 26, strike out "\$782,200,000" and insert "\$700,000,000".

(Mr. PASSMAN asked and was given permission to proceed for 10 additional minutes.)

Mr. PASSMAN. Mr. Chairman, I have been a Member of this body for 18 years. In debating various issues, I have never dealt in personalities. And, I have always tried to present my case as forthrightly and factually as I could.

I believe the gentleman from Michigan [Mr. FORD], a member of the subcommittee which handles the foreign aid money bill, has served on the subcommittee for 12 years, and I believe he is supporting my position this year.

Mr. FORD. That is correct. I went on the subcommittee in January 1953.

Mr. PASSMAN. I believe the gentleman from Arizona [Mr. RHODES], the ranking minority Member, has been on this subcommittee for 6 years.

14. RECLAMATION, FLOOD CONTROL. Passed as reported S. 2370, to authorize maintenance of flood and arroyo sediment control dams and related works to facilitate the Rio Grande canalization project and to authorize appropriations for this purpose. pp. 15880-1
Passed as reported H.R. 7419, to maintain flood control work on the lower Colorado River. p. 15881
15. ALASKA. Passed with amendment S. 2881, the Alaska relief bill. H.R. 11438, a similar bill which had been passed earlier under suspension of the rules, was tabled. pp. 15909-13
16. AUTOMATION. Passed by a vote of 325 to 75, under suspension of the rules, H.R. 11611, to establish a National Commission on Technology, Automation, and Economic Progress. pp. 15922-29
17. VEHICLES. Passed under suspension of the rules H.R. 1341, to require passenger-carrying motor vehicles purchased for use by the Federal Government to meet certain safety standards. pp. 15939-40
18. MILITARY CONSTRUCTION. Received the conference report on H.R. 10300, to authorize certain construction at military installations. (H. Rept. 1558). pp. 15913-22
19. COTTON. Rep. Waggoner inserted an article criticizing the closing of the New Orleans Cotton Exchange. p. 15948
20. TRANSPORTATION. Rep. Fallon inserted a letter "summarizing the progress of certain areas toward meeting the transportation planning requirements of the 1962 Federal-Aid Highway Act." p. 15950
21. SUGAR QUOTAS. Rep. May inserted several articles urging support of proposed amendments to the Sugar Act which would increase the basic beet sugar marketing quotas. pp. 15952-3
22. ADMINISTRATIVE LAW. The Judiciary Committee voted to report with amendment (but did not actually report) S. 1664, to provide for continuous improvements of the administrative procedure of Federal agencies by creating an Administrative Conference of the U. S. p. D570

ITEMS IN APPENDIX

23. POVERTY. Extension of remarks of Sen. Johnston commending and inserting an editorial "GOP's Poverty Program: Poverty of Everything but Higgling Opposition." p. A3764
24. EMPLOYMENT. Extension of remarks of Rep. Curtis stating that "There are indications, however, that the Johnson administration is bungling our critically important job retraining programs," and inserting an article on the "ineffectiveness" of the present programs. p. A3766
25. TAXES. Extension of remarks of Rep. Curtis expressing doubt as to how much of the recent expansion in the economy can be attributed to the tax cut and inserting articles on the subject. p. A3770, A3774

26. RECREATION; HEALTH. Extension of remarks of Rep. Edwards stating that the problem of keeping recreational areas from becoming health hazards is plaguing all levels of government and inserting an article, "The Role of Health and Sanitation In Recreation Development." pp. A3774-5
27. FARM PROGRAM. Rep. Natcher inserted Sen. Humphrey's speech before the Ky. State Convention of Young Democrats in which he commended the administration's farm program, housing and proposed poverty programs. pp. A3776-7
28. FARM LABOR. Rep. Pepper inserted his article, "The Migrant In America." pp. A3782-3
Rep. Teague inserted an article, "The Ending of the Bracero Program Will Create a Critical Agricultural Dilemma." pp. A3787-8
29. ELECTRIFICATION. Rep. Burton inserted two articles on the development of water and power resources in Calif. pp. A3793-5
30. FOREIGN AGRICULTURE. Extension of remarks of Rep. Fraser inserting an article describing how cooperatives play an important role in aiding underdeveloped countries, with special reference to agricultural development. pp. A3798-800
31. INFORMATION. Extension of remarks of Rep. Moss commending this Department's development of new information procedures and inserting a letter announcing the expanded public access procedure. pp. A3803-4
32. FOREIGN AID. Extension of remarks of Rep. Casey expressing concern "over the competition we are building abroad under the foreign aid program for our American workers and our industries," with special reference to the textile industry. pp. A3805-7

BILL INTRODUCED

33. LANDS. H.R. 11961 by Rep. Aspinall, to amend the act of February 28, 1958, relating to the withdrawal reservation, or restriction of public lands, and for other purposes; to the Committee on Interior and Insular Affairs.

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COMMITTEE HEARINGS JULY 22:

Agricultural appropriations, S. Appropriations.
Foreign aid appropriations, S. Appropriations (exec).
Housing bill, S. Banking and Currency (exec).
Amendments to Administrative Procedure, S. Judiciary.
H. Agriculture on pending business (exec).
Appalachian bill, H. Public Works.
Poverty bill, H. Rules.
FPC regulation of REA cooperatives, S. Commerce (Clapp, REA, to testify).

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Gill	Kilgore	Powell
Glenn	King, Calif.	Pucinski
Goodell	Knox	Purcell
Goodling	Laird	Quie
Grabowski	Lankford	Rains
Griffiths	Lipscomb	Randall
Gubser	Lloyd	Reid, N.Y.
Gurney	Long, La.	Robison
Halpern	Martin, Calif.	Rogers, Colo.
Hanna	Martin, Mass.	Roybal
Hansen	Meador	Ryan, Mich.
Harris	Miller, Calif.	St Germain
Harvey, Mich.	Miller, N.Y.	Senner
Healey	Moore	Skubitz
Hébert	Moorhead	Thomas
Herlong	Morrison	Thompson, La.
Hoffman	Morton	Toll
Hull	Mosher	Wallhauser
Jones, Ala.	Norblad	White
Kee	Pike	
Kilburn	Pilcher	

So, two-thirds having voted in favor thereof, the rules were suspended and the bill was passed.

The Clerk announced the following pairs:

Mr. Hébert with Mr. Robison.
 Mr. White with Mr. Norblad.
 Mr. King of California with Mr. Kilburn.
 Mr. Cooley with Mr. Aiger.
 Mr. Toll with Mr. Foreman.
 Mr. Buckley with Mr. Skubitz.
 Mr. Miller of California with Mr. Lipscomb.
 Mr. Feighan with Mr. Martin of Massachusetts.
 Mr. Dingell with Mr. Barry.
 Mr. Morrison with Mr. Laird.
 Mr. Pucinski with Mr. Martin of California.
 Mr. Grabowski with Mr. Battin.
 Mr. Gill with Mr. Pino.
 Mr. Thomas with Mr. Glenn.
 Mr. Biatnik with Mrs. Dwyer.
 Mr. Thompson of Louisiana with Mr. Brock.
 Mr. Moorhead with Mr. Miller of New York.
 Mr. Cheif with Mr. Morton.
 Mr. Rogers of Colorado with Mr. Don Clausen.
 Mr. Corman with Mr. Wallhauser.
 Mr. Ashiey with Mr. Goodell.
 Mr. Andrews of Alabama with Mr. Knox.
 Mr. Hull with Mr. Harvey of Michigan.
 Mr. Healey with Mr. Gurney.
 Mr. Randall with Mr. Quie.
 Mr. St Germain with Mr. Reid of New York.
 Mr. Baring with Mr. Goodling.
 Mr. Flynt with Mr. Mosher.
 Mr. Pike with Mr. Halpern.
 Mr. Harris with Mr. Gubser.
 Mr. Evins with Mr. Moore.
 Mr. Hanna with Mr. Bennett of Michigan.
 Mrs. Griffiths with Mr. Meador.
 Mr. Jones of Alabama with Mr. Hoffman.
 Mrs. Hansen with Mr. Avery.
 Mr. Roybal with Mrs. Kee.
 Mr. Senner with Mr. Diggs.
 Mr. Herlong with Mr. Ryan of Michigan.
 Mr. Rains with Mr. Frankford.
 Mr. Burkhalter with Mr. Powell.
 Mr. Purcell with Mr. Pilcher.
 Mr. Long of Louisiana with Mr. Kilgore.

The result of the vote was announced as above recorded.

The doors were opened.

The title was amended so as to read: "A bill to protect postal patrons from morally offensive mail matter."

A motion to reconsider was laid on the table.

CONSIDERATION OF H.R. 11865, TO INCREASE BENEFITS UNDER THE FEDERAL OLD-AGE, SURVIVORS, AND DISABILITY INSURANCE SYSTEM, AND FOR OTHER PURPOSES

Mr. SISK, from the Committee on Rules, reported the following privileged

resolution (H. Res. 802, Rept. No. 1557) which was referred to the House Calendar and ordered to be printed:

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 11865) to increase benefits under the Federal old-age, survivors, and disability insurance system, to provide child's insurance benefits beyond age 18 while in school, to provide widow's benefits at age 60 on a reduced basis, to provide benefits for certain individuals not otherwise eligible at age 72, to improve the actuarial status of the trust funds, to extend coverage, and for other purposes, and all points of order against said bill are hereby waived. After general debate, which shall be confined to the bill, and shall continue not to exceed five hours, the bill shall be considered as having been read for amendment. No amendment shall be in order to said bill except amendments offered by direction of the Committee on Ways and Means, and said amendments shall be in order, any rule of the House to the contrary notwithstanding. Amendments offered by direction of the Committee on Ways and Means may be offered to any section of the bill at the conclusion of the general debate, but said amendments shall not be subject to amendment. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

N. M. BENTLEY AND GEORGE MARKWALTER

Mr. VINSON. Mr. Speaker, I ask unanimous consent to return for consideration to Private Calendar No. 409, the bill (H.R. 7823) granting jurisdiction to the Court of Claims to render judgment on certain claims of N. M. Bentley against the United States.

The SPEAKER. Is there objection to the request of the gentleman from Georgia?

There was no objection.

The Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, notwithstanding any statute of limitations or administrative determination, jurisdiction is hereby conferred upon the United States Court of Claims to hear, determine, and render judgment for any amount found to be legally or equitably due upon the claims of N. M. Bentley and George Markwalter, jointly, who compose a copartnership under the name and style N. M. Bentley of Macon, Georgia, against the United States for losses, if any, incurred in the performance of contract numbered AF-09(603)-25991 with the United States of America (Robins Air Force Base, Georgia). Such suit shall be instituted within six months after the date of the enactment of this Act: *Provided*, That the procedure for the determination of such claims, and review thereof, and payment thereon, shall be the same as in the case of claims over which the Court of Claims has jurisdiction as now provided by law.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

AMENDING THE ALASKA OMNIBUS ACT TO PROVIDE ASSISTANCE TO THE STATE OF ALASKA FOR THE RECONSTRUCTION OF AREAS DAMAGED BY THE EARTHQUAKE OF MARCH 1964 AND SUBSEQUENT SEISMIC WAVES

Mr. O'BRIEN of New York. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 11438) to amend the Alaska Omnibus Act to provide assistance to the State of Alaska for the reconstruction of areas damaged by the earthquake of March 1964 and subsequent seismic waves, and for other purposes.

The Clerk read as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "1964 Amendments to the Alaska Omnibus Act".

SEC. 2. The Congress hereby recognizes that the State of Alaska has experienced extensive property loss and damage as a result of the earthquake of March 27, 1964, and subsequent seismic waves, and declares the need for special measures designed to aid and accelerate the State's efforts in providing for the reconstruction of the areas in the State devastated by this natural disaster.

SEC. 3. Section 21 of the Alaska Omnibus Act (73 Stat. 145) is amended by adding a new subsection (f) to read as follows:

"(f) Notwithstanding the limitation contained in subsection (f) of section 120 of title 23, United States Code, the Secretary of Commerce is authorized to make expenditures from the emergency fund under section 125 of such title for the repair or reconstruction of highways on the Federal-aid highway systems of Alaska which have been damaged or destroyed by the 1964 earthquake and subsequent seismic waves, in accordance with the Federal share payable under subsection (a) of section 120 of such title. The increase in expenditures resulting from the difference between the Federal share authorized by this subsection and that authorized by subsection (f) of section 120 of such title shall be reimbursed to the emergency fund by an appropriation from the general fund of the Treasury: *Provided*, That such increase in expenditures shall not exceed \$15,000,000 in the aggregate."

SEC. 4. The Alaska Omnibus Act (73 Stat. 141) is amended by adding the following new sections at the end of section 50 thereof:

"NEW FEDERAL LOAN ADJUSTMENTS

"SEC. 51. (a) The Secretary of Agriculture is authorized to compromise or release such portion of a borrower's indebtedness under programs administered by the Farmers Home Administration in Alaska as he finds necessary because of loss resulting from the 1964 earthquake and subsequent seismic waves, and he may refinance outstanding indebtedness of applicants in Alaska for loans under section 502 of the Housing Act of 1949 for the repair, reconstruction, or replacement of dwellings or farm buildings lost, destroyed, or damaged by such causes and securing such outstanding indebtedness. Such loans may also provide for the purchase of building sites, when the original sites cannot be utilized.

"(b) The Secretary of Agriculture is authorized to compromise or release such portion of a borrower's indebtedness under programs administered by the Rural Electrification Administration in Alaska as he finds necessary because of loss, destruction, or damage of property resulting from the 1964 earthquake and subsequent seismic waves.

"Sec. 52. The Housing and Home Finance Administrator is authorized to compromise or release such portion of any note or other obligation held by him with respect to property in Alaska pursuant to title II of the Housing Amendments of 1955 or included within the revolving fund for liquidating programs established by the Independent Offices Appropriation Act of 1955, as he finds necessary because of loss, destruction, or damage to facilities securing such obligations by the 1964 earthquake and subsequent seismic waves.

"URBAN RENEWAL"

"Sec. 53. The Housing and Home Finance Administrator is authorized to enter into contracts for grants not exceeding \$25,000,000 for urban renewal projects in Alaska, including open land projects, under section 111 of the Housing Act of 1949, which he determines will aid the communities in which they are located in reconstruction and redevelopment made necessary by the 1964 earthquake and subsequent seismic waves. Such authorization shall be in addition to and separate from any grant authorization contained in section 103(b) of said Act.

"The Administrator may increase the capital grant for a project assisted under this section to not more than 90 per centum of net project cost where he determines that a major portion of the project area has either been rendered unusable as a result of the 1964 earthquake and subsequent seismic waves or is needed in order adequately to provide, in accordance with the urban renewal plan for the project, new locations for persons, business, and facilities displaced by the earthquake."

"EXTENSION OF TERM OF HOME DISASTER LOANS"

"Sec. 54. Loans made pursuant to paragraph (1) of section 7(b) of the Small Business Act (72 Stat. 387), as amended (15 U.S.C. 636(b)), for the purpose of replacing, reconstructing, or repairing dwellings in Alaska damaged or destroyed by the 1964 earthquake and subsequent seismic waves, may have a maturity of up to thirty years: *Provided*, That the provisions of section 7(c) of said Act shall not be applicable to such loans.

"MODIFICATION OF CIVIL WORKS PROJECTS"

"Sec. 55. The Chief of Engineers, under the direction of the Secretary of the Army, is hereby authorized to make such modifications to previously authorized civil works projects in Alaska adversely affected by the 1964 earthquake and subsequent seismic waves as he finds necessary to meet changed conditions and to provide for current and reasonably prospective requirements of the communities they serve, at an estimated cost of \$10,000,000.

"PURCHASE OF ALASKA STATE BONDS"

"Sec. 56. The Housing and Home Finance Administrator is authorized to purchase, in accordance with the provisions of sections 202(b), 203, and 204 of title II of the Housing Amendments of 1955, the securities and obligations of, or make loans to, the State of Alaska to finance any part of the programs needed to carry out the reconstruction activities in Alaska related to the 1964 earthquake and subsequent seismic waves or to complete capital improvements begun prior to the earthquake: *Provided*, That the aggregate amount of such purchase or loan shall not exceed \$25,000,000: *Provided further*, That the terms of repayment of such securities and obligations or loans shall be as follows: Repayment of the principal sum in fifty years from the date of the borrowing payable in equal annual payments beginning ten years after the money is lent at an annual interest rate not to exceed three per centum on the unpaid balance.

"PURCHASE OF HOME MORTGAGES"

"Sec. 57. The Federal National Mortgage Association is authorized to repurchase at a cost not to exceed par any home mortgage insured by the Federal Housing Administration which is secured by property in Alaska which was lost, destroyed, or severely damaged as a result of the 1964 earthquake or subsequent seismic waves. Any such purchase shall be made from funds available to the Association for carrying out its special assistance functions pursuant to section 305 of the National Housing Act; except that the aggregate amount of such purchases shall not exceed \$10,000,000."

APPROPRIATION AUTHORIZATION

SEC. 5. There is authorized to be appropriated such sums as may be necessary to carry out the provisions of this Act, which shall be available for obligation until June 30, 1967. There is also authorized to be appropriated such sums as may be necessary for the expenses of such advisory commissions or committees as the President may establish in connection with the reconstruction and development planning of the State of Alaska. The total amount authorized to be appropriated pursuant to this section shall not exceed \$50,150,000.

TERMINATION DATE

SEC. 6. The authority contained in this Act shall expire on June 30, 1967, except that such expiration shall not affect the payment of expenditures for any obligation or commitment entered into under this Act prior to June 30, 1967.

REPORTING

SEC. 7. The President shall report semi-annually during the term of this Act to the President of the Senate and the Speaker of the House on the actions taken under this Act by the various Federal agencies. The first such report shall be submitted not later than February 1, 1965, and shall cover the period ending December 31, 1964.

The SPEAKER. Is a second demanded?

Mr. SAYLOR. Mr. Speaker, I demand a second.

The SPEAKER. Without objection, a second will be considered as ordered.

There was no objection.

The SPEAKER. The gentleman from New York [Mr. O'BRIEN] is recognized for 20 minutes.

Mr. O'BRIEN. Mr. Speaker, I yield 8 minutes to the gentleman from Colorado [Mr. ASPINALL].

(Mr. ASPINALL asked and was given permission to revise and extend his remarks.)

Mr. ASPINALL. Mr. Speaker, I urge favorable consideration of H.R. 11438 in its amended form. The bill amends the 1959 Alaska Omnibus Act in several respects in order to assist the State of Alaska in reconstruction activities necessitated by the March 27, 1964, earthquake and seismic waves which took the lives of 115 persons and wrought damages up to a half billion dollars.

This total includes losses to Federal facilities amounting to some \$70 million, such as damages to the Alaska Railroad; State and local property losses of about \$148 million; and in the private sector, real property losses of about \$77 million. These damage estimates do not include private personal property losses which have not yet been completely surveyed.

Our colleague, the gentleman from Alaska [Mr. RIVERS], is sponsoring this legislation which came to Congress at

the request of the President and the Federal Reconstruction and Development Planning Commission for Alaska which is under the chairmanship of Senator ANDERSON of New Mexico. Not only does the bill authorize the appropriation of \$50,150,000 in Federal funds to implement its purposes but it also amends several existing statutes which will extend and/or encourage Federal agencies to render sorely needed assistance to Alaska estimated to be in the neighborhood of \$275 to \$300 million.

Let me explain the major items included in the \$275 million reconstruction program. Roughly \$80 million of grants under the existing authority of the Office of Emergency Planning will be allocated for restoration of public facilities. This work has already commenced with funds promptly transferred to Alaska by OEP. Some \$75 million will be used for restoring Federal facilities; \$60 million in grants for highway repair; and up to \$45 million for urban renewal projects.

You will recall that a few weeks ago legislation was enacted to authorize \$23.5 million in transitional grants to the State to make up losses of State and local tax revenues and to insure continuity of government. I am advised that these funds have been put to work and the State government is in full operation carrying on its regular duties as well as those necessitated by the earthquake.

The Office of Emergency Planning is aiding in cleaning rubble, providing shelter, making emergency repairs, and restoring essential services. The Small Business Administration is making disaster loans to individual homeowners and businessmen. Commercial fishermen are being aided by the Department of the Interior in repairing their vessels. The Housing and Home Finance Agency and the Veterans' Administration are adjusting loans to homeowners whose dwellings were lost or destroyed.

Mr. Speaker, the sponsor of H.R. 11438 will present the details of the bill and explain the committee amendments. I merely wish to assure the House of the committee's concurrence to the legislation and to urge its acceptance.

Mr. WESTLAND. Mr. Speaker, will the gentleman yield?

Mr. ASPINALL. I yield to the gentleman from Washington.

Mr. WESTLAND. Mr. Speaker, I want to compliment the gentleman from Colorado on his explanation of this legislation, legislation which I have supported in committee and shall support on the floor of the House.

Two things come to mind about which I should like to ask the gentleman. First, there has been considerable criticism in the State of Washington by some of the newspapers that Congress and the executive branch of the Government have failed to act rapidly, in an expeditious manner, in relieving this situation in Alaska. Would the gentleman care to comment on that?

Mr. ASPINALL. I shall be glad to comment on that. It is my opinion that we have acted as quickly as it is humanly possible to act under the circumstances.

What we wish to see done in Alaska is, of course, a logical, constructive plan to rebuild and rehabilitate the area. We do not wish to use Federal funds where they are not needed. We do not wish to put Federal personnel into an area where they are not needed at the time. This sort of program could be handled quickly and unwisely or it could be handled with a proper amount of study so that the results would represent a constructive approach. I think that is what we have done; we have followed the latter course.

Mr. WESTLAND. Mr. Speaker, I have been of the opinion that as a result of this earthquake and disaster, there is required the making of plans and specifications by Army engineers, by the highway department, in many areas, and that funds which might have been appropriated sooner actually would have had to lie idle until those plans were finished; is not that correct?

Mr. ASPINALL. I think my friend from Washington is right. We moved in and took care of the immediate needs. There were no personal hardships other than those that occurred immediately that needed to be taken care of at once.

Mr. WESTLAND. There was a \$50 million authorization almost immediately, I believe the week following, is that right?

Mr. ASPINALL. The gentleman is correct. That was part of the activities of the Office of Emergency Planning. Those funds went not only to the Alaskan area but also to the California area which was stricken.

Mr. WESTLAND. What is the estimate of the total amount of funds Congress has either appropriated or authorized for the relief of Alaska?

Mr. ASPINALL. I think it is impossible to put a definite figure on that at the present time. We have already increased the emergency funds by \$50 million, most of which will be used up there. We provided \$23½ million for governmental services. In this legislation we provide another \$50½ million for direct aid and also provide that certain agencies of the Government serving in the stricken area must be funded to a greater extent than they are at the present time to the extent of \$275 or \$300 million. And then there may be some additional funds needed in order to see that the citizens of that area are back where they can carry on.

Mr. WESTLAND. There have been direct appropriations already in the neighborhood of \$125 million. This legislation would provide up to almost another \$275 million?

Mr. ASPINALL. That is a part of it, for lending authority.

Mr. WESTLAND. Yes; I understand that. I want to thank the gentleman for giving me this information.

The SPEAKER. The time of the gentleman from Colorado has again expired.

Mr. O'BRIEN of New York. Mr. Speaker, I yield the gentleman 2 additional minutes.

Mr. GROSS. Mr. Speaker, will the gentleman yield?

Mr. ASPINALL. I yield to my friend the gentleman from Iowa [Mr. Gross].

Mr. GROSS. Do I understand that the Federal funds dedicated to this project, already expended or on the way to being expended and authorized, run somewhere around \$200 million or more?

Mr. ASPINALL. I believe that the amount is closer to \$125 million to \$150 million, with this legislation.

Mr. GROSS. With this amount?

Mr. ASPINALL. Counting also the lending authority which goes with this legislation, it would bring it up another \$275 million.

Mr. GROSS. If the gentleman will yield further, can the gentleman give us any indication as to how much of this will be recovered eventually?

Mr. ASPINALL. I cannot do that presently, because if we do a half job, as my friend the gentleman from Iowa knows, then of course, we will not get any of it back. But if we go ahead and do it properly and build the economy these recipients will be able to get on their feet and a larger part of the funds will come back to us.

Of the original \$75 million, plus \$50 million as provided in this bill, very little of that is going to be recovered. That amounts to grants for the rebuilding of the area so that it can become economically serviceable again—so that the highways and the public buildings may be used again in carrying on the governmental operations, and so forth.

Mr. GROSS. If the gentleman will yield further, there will be loans made?

Mr. ASPINALL. Oh, yes. Under this \$275 to \$300 million most of this is lending. Most of it will be lent with interest which would be complementary to any other interest that Uncle Sam receives under such circumstances.

Mr. GROSS. In some circumstances, 3½ percent interest, I believe?

Mr. ASPINALL. That is right. This constitutes one of the differences between the Senate bill and the House bill wherein the House may have to give.

The SPEAKER. The time of the gentleman from Colorado has again expired.

Mr. SAYLOR. Mr. Speaker, I yield myself 5 minutes.

(Mr. SAYLOR asked and was given permission to revise and extend his remarks.)

Mr. SAYLOR. Mr. Speaker and Members of the House, there were many people in the House of Representatives when the State of Alaska was admitted to statehood who doubted whether or not that State would be able to carry on all of the obligations which we placed upon it when it assumed its position in the sisterhood of States.

Mr. Speaker, the State of Alaska was making excellent progress until it was severely damaged on Good Friday in March 1964.

Mr. Speaker, there is every reason to believe that the State of Alaska would have been able to assume its full position in accordance with the Omnibus Act which Congress passed admitting that State to the sisterhood of States. However, on Good Friday of March 1964, an earthquake occurred which was unprecedented not only in American history but in world history. As a result thereof, it was necessary for the House Interior and

Insular Affairs Committee to hold hearings and determine just what changes should be made in the basic act admitting Alaska to statehood.

Mr. Speaker, my only complaint and criticism of this bill falls into two categories: First, that this bill does not solve the problem. This is a piecemeal measure. The representatives of Government who appeared before our committee all testified that it would take two and probably three times as much money as is included in this bill. I was one of those who at that time felt that we should face up to the problem now and look at the situation realistically. However, because of the debate which was then taking place on the other side of the Capitol, there was a feeling that if we looked at the entire proposition, we would not be able to have that bill brought up on the floor of the other body.

That time has passed. That bill is now law. And if we were doing the proper thing we would look at this situation as a whole problem and not try to fragment it. However, the committee in its wisdom has chosen to take this fragmented process. I can assure the Members of the House that next year we will be back with a bill calling for at least twice this amount of money to take care of the needs of the new State of Alaska.

My second complaint has to do with section 51. The Secretary of Agriculture is given absolutely no guidelines whatsoever in his compromise or release of any portion of those who borrowed or have an indebtedness through the Farmers Home Administration in Alaska. The chairman of the full committee was correct when he said that there was absolutely nothing in this bill by which we attempted to take care of the private losses of \$77 million; but the Secretary of Agriculture is in a position under the terms of this bill to take care of any private loans that were made if they were fortunate enough to make the loans through the Farmers Home Administration. I feel that the committee should have placed in section 51 of the bill the guidelines that the Secretary should use in compromising or releasing any portion of the indebtedness.

This is a minor criticism, and I hope that when the bill goes to conference it will be possible for us to work out some guidelines for the Secretary of Agriculture to follow.

Mr. O'BRIEN of New York. Mr. Speaker, I yield such time as he may require to the gentleman from Alaska [Mr. RIVERS].

Mr. RIVERS of Alaska. Mr. Speaker, as might be expected, I have just returned from Alaska where I personally observed the progress thus far made in the earthquake disaster area by my courageous fellow Alaskans. The cleanup is virtually done, and soil testing and planning and preconstruction engineering and design and the letting of contracts have proceeded apace. However, the actual reconstruction is just getting started, and because Alaska's construction season is comparatively short, time is of the essence.

This bill is the last of a series of legislative measures to be acted upon this year

to authorize Federal assistance in the reconstruction of the earthquake stricken areas of Alaska. The fact that this legislation, H.R. 11438, was sent to us for introduction upon executive request after being drafted by the Federal Reconstruction and Development Planning Commission for Alaska, prompts me to express appreciation and thanks not only for myself but in behalf of the people of Alaska. This thanks goes not only to President Johnson and to Director Edward McDermott of the Office of Emergency Planning, but to Senator CLINTON ANDERSON, of New Mexico, in his role as chairman of the Federal Reconstruction and Development Planning Commission for Alaska, and to the heads of all the agencies represented upon that Commission. My deepest appreciation also goes to our beloved Speaker, the gentleman from Massachusetts [Mr. McCORMACK], and our dedicated majority leader, the gentleman from Oklahoma [Mr. ALBERT], both of whom gave me help and encouragement and expedited the scheduling of this bill. I am also most appreciative of the unstinting interest and assistance of the distinguished chairman of the Committee on Interior and Insular Affairs, the gentleman from Colorado [Mr. ASPINALL], and of the fine cooperation of the ranking minority member of the committee, the distinguished gentleman from Pennsylvania [Mr. SAYLOR] who, incidentally, supported statehood, and of the never failing help of the chairman of the Subcommittee on Territorial and Insular Affairs, the gentleman from New York [Mr. O'BRIEN], who so ably guided the Alaska statehood bill to passage through the House in 1958, and is again willing to espouse Alaska's cause in its hour of greatest need. Needless to say, I would be remiss if I did not acknowledge the warm interest and support of all my colleagues of the Committee on Interior and Insular Affairs who unanimously reported this bill, and the interest and sympathy expressed by so many of the rest of you on both sides of the aisle since the shattering earthquake and tidal waves and seismic tides caused so much loss of life and property in south-central Alaska on March 27 of this year.

The urgency which surrounds this bill is well expressed by President Johnson in his letter to Speaker McCORMACK under date of May 27 with which the draft of this bill was transmitted. After speaking of the efforts of the people of Alaska to rebuild from the ruins of the quake and of the initial steps taken by the Federal Government, the President wrote, and I quote:

But new legislative authority is urgently needed to provide the additional special assistance essential to their reconstruction efforts—the legislation which I am proposing—based upon recommendations of the Federal Reconstruction and Development Planning Commission for Alaska—will provide greater flexibility in Federal programs to cope with the extraordinary circumstances arising out of the earthquake. Included among the programs involved are highways, urban renewal, housing, and harbor improvements.

Also included is a provision authorizing the Small Business Administration to make 3-percent disaster loans to

homeowners whose property was destroyed or seriously damaged, for terms up to 30 years instead of within the 20-year maximum period prescribed by existing law. The bill also provides for Federal assistance to the State in marketing up to \$25 million of State bonds, the proceeds to be for use in coping with the disaster and for a capital improvement program.

New amounts authorized in this bill would aggregate \$50,150,000.

Three amendments approved by the House Committee on Interior and Insular Affairs are as follows:

First. Change of the matching formula for urban renewal projects in the disaster area from 75 percent Federal-25 percent local to a high of 90 percent Federal and a low of 10 percent local. The "open space" reference in the urban renewal paragraph on page 4 of the bill would be applied to Valdez which is to be relocated at a new site about 4 miles away from its present location and might be applied to a pilot project at Turnagain Arm near Anchorage.

Second. Establishment of a ceiling of 3-percent interest upon the purchase by the Federal Government of the State bonds I mentioned; and

Third. Authorization to the Federal National Mortgage Association to repurchase at not to exceed par any home mortgage in Alaska insured by FHA, the property securing same having been destroyed or severely damaged in the disaster. The significance of the word "repurchase" stems from the fact that during territorial days Fannie Mae and the Veterans' Administration acquired many of these home mortgages in Alaska and subsequently sold and assigned most of them to private lenders who became willing to enter into such transactions pertaining to homes in Alaska. After each such repurchase, Fannie Mae would be authorized to adjust the balance owed down to \$1,000 and forgive the remainder, so that the stricken homeowner would have a fair chance to borrow and build again. Such reduction of balance and forgiveness is already being carried out with respect to the home mortgages upon destroyed or severely damaged property still held by Fannie Mae or the VA. Thus, this amendment would treat alike all of the disaster victims whose destroyed or severely damaged homes were initially financed by Fannie Mae or the VA in conjunction with being FHA insured. Two other amendments are merely technical.

All of the special assistance authorizations contained in this bill would expire June 30, 1967.

The need of accomplishing as much as possible of the required reconstruction during this summer and fall before winter sets in is indeed most urgent. I trust that this situation is apparent and that this measure will be adopted by an overwhelming vote.

(Mr. RIVERS of Alaska asked and was given permission to revise and extend his remarks.)

Mr. MATSUNAGA. Mr. Speaker, I rise in support of H.R. 11438 and urge its immediate passage. I congratulate the gentleman from Alaska [Mr.

RIVERS], for his excellent and most effective presentment of the case for his great State of Alaska. The people of the 49th State are indeed fortunate to have his dedicated services in the Congress.

We of the 50th State can more fully appreciate the problems confronting Alaska because we too in years past have been subjected to the same type of disaster which Alaska suffered recently. The people of Hawaii have been plagued from time to time by volcano eruptions, earthquakes and tidal waves and can fully sympathize with the disaster-stricken Alaskans. This is a time of great need for our sister State. Too much delay has already been allowed. Let us waste no more time in giving needed assistance to our fellow Americans. Let us pass H.R. 11438 without a single dissenting vote.

Mr. SAYLOR. Mr. Speaker, I yield 2 minutes to the gentleman from Florida [Mr. ROGERS].

UNITED STATES SHOULD LOOK AT MEXICO'S ACTIONS IN OAS DURING SUGAR LEGISLATION CONSIDERATION

(Mr. ROGERS of Florida asked and was given permission to proceed out of the regular order.)

Mr. ROGERS of Florida. Mr. Speaker, the Organization of American States is at this moment meeting to consider adopting strong sanctions against Communist Cuba. However, recent reports show a danger of weaker action being taken.

The danger reportedly lies with Mexico, which is on record as being opposed to sanctions in previous meetings.

But it must also be reported that last year Mexico sold 379,000 tons of sugar in the United States, and took home some \$55 million in profits as a result.

And this year Mexico is in line to sell as much as 480,000 tons of sugar, making even greater profits from the U.S. consumer.

Do these same U.S. consumers agree with Mexico that Communist Cuba should be spared strong action by the OAS? Emphatically not.

Castro has already admitted that he is spreading subversion throughout the hemisphere by offering to stop in exchange for reconciliation with the free world. If admissions of guilt such as this one are not enough to convince Mexico, and nations like her, that Castro warrants stiff action by the free world nations, then perhaps the United States should review its policies toward Mexico or any other nation which cooperates with Castro. Particularly should this Congress keep Mexico's actions in mind when sugar legislation is next before this body.

Mr. O'BRIEN of New York. Mr. Speaker, I urge my colleagues to support the bill, H.R. 11438.

Up to the time that disaster struck in March of this year, Alaska was making great progress in the painful struggle toward a sound economy. I would like to devote my closing remarks to a discussion of a point raised by the gentleman from Washington [Mr. WESTLAND]. In effect, he asked the distinguished chairman of the full committee if there had been any heel dragging in this matter of coming to

the aid of the 49th State. I would say from my experience in this matter that the answer is emphatically "No." After the quake struck, there was an enormous and a very complex job to be done by a special commission set up to evaluate the damage and to recommend what should be done about it. Almost immediately after the report of that commission was received, the responsible committees of both Houses went into action and the bill we have before us was reported by the House committee in very rapid order.

I would say to the people of Alaska and to the Members of this House that a great deal of advanced planning has been undertaken already in Alaska in anticipation of what we are about to do here today. I feel that this planning and the actual appropriation to carry out what must be done will meet in their proper place in spite of the fact that there is a very short building season in Alaska.

I would like to say in conclusion, Mr. Speaker, that the people of Alaska demonstrated to all of us throughout the United States their great spirit at the time of the great tragedy of the earthquake. There was no one who spoke about picking up the chips and leaving the game. Even those whose homes were destroyed and whose businesses toppled announced for all to hear that they were going to stay in their great State and rebuild their homes and their businesses.

Mr. Speaker, I think the passage of this bill today would be in harmony with the great spirit expressed by those true pioneers of the State of Alaska.

Mr. HORTON. Mr. Speaker, I want to add my voice in support of the measure now before us for the help it will provide our fellow citizens in the State of Alaska. The passage and approval of this proposal is essential to insure recovery from the devastating blow Alaskans were dealt by earthquakes earlier this year.

This bill would amend the Alaska Omnibus Act of 1959 by authorizing a 3-year program of Federal assistance. In specific form, that aid would empower the Federal Government to adjust Federal loans on homes or businesses or permit new loans on longer terms, to purchase Alaska State bonds, and to provide additional funds for highway, urban renewal, and Corps of Engineers projects.

While this assistance to Alaska, of necessity is measured in dollars, its meaning can be related to the higher value of humanitarianism. One of the most noble traits of our democratic society concerns the willingness, even the desire, of our people to rally to the support of the sufferers of natural disasters. And, over the years, this charitable characteristic has involved the Federal Government.

Where the magnitude of a disaster is such that it is clearly beyond the resources of the States and localities to respond adequately, Federal action becomes imperative. This responsibility can be traced to the early 1800's when Congress extended the time for discharging customhouse bonds of those victims of the great Portsmouth fire.

The help to be made available by this legislation is both necessary and justified. I have willingly supported other measures relating to the Alaska earthquake, which already have been enacted by this Congress, and recognizing that additional assistance is required, I intend to endorse with my vote the bill now under consideration.

The SPEAKER pro tempore (Mr. PEPPER). The question is on the motion of the gentleman from New York [Mr. O'BRIEN] that the House suspend the rules and pass the bill, H.R. 11438.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill was passed.

Mr. ASPINALL. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (S. 2881) to amend the Alaska Omnibus Act to provide assistance to the State of Alaska for the reconstruction of areas damaged by the earthquake of March 1964, and subsequent seismic waves, and for other purposes, a similar bill to the bill just passed by the House.

The Clerk read the title of the Senate bill.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Colorado?

There was no objection.

AMENDMENT OFFERED BY MR. ASPINALL

Mr. ASPINALL. Mr. Speaker, I offer an amendment to strike out all after the enacting clause of S. 2881 and to insert the provisions of H.R. 11438, as passed.

The SPEAKER pro tempore. The Clerk will report the amendment.

The Clerk read as follows:

Amendment offered by Mr. ASPINALL: Strike out all after the enacting clause of S. 2881 and insert the provisions of H.R. 11438 as passed.

The amendment was agreed to.

The Senate bill was ordered to be read a third time, was read the third time and passed, and a motion to reconsider was laid on the table.

A similar House bill (H.R. 11438) was laid on the table.

MILITARY CONSTRUCTION AUTHORIZATION, FISCAL YEAR 1965—CONFERENCE REPORT

Mr. VINSON submitted the following conference report and statement on the bill (H.R. 10300) to authorize certain construction at military installations, and for other purposes:

CONFERENCE REPORT (H. REPT. No. 1558)

The committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H.R. 10300) to authorize certain construction at military installations, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendment of the Senate and agree to the same with an amendment as follows:

In lieu of the matter proposed to be inserted by the Senate amendment insert the following:

TITLE I

Sec. 101. The Secretary of the Army may establish or develop military installations and facilities by acquiring, constructing, converting, rehabilitating, or installing permanent or temporary public works, including site preparations, appurtenances, utilities, and equipment for the following projects:

Inside the United States Continental Army Command (First Army)

Fort Devens, Massachusetts: Community facilities, \$681,000.

Fort Dix, New Jersey: Hospital facilities, and troop housing, \$16,225,000.

Fort Hamilton, New York: Utilities, \$118,000.

(Second Army)

Fort Belvoir, Virginia: Operational and training facilities, administrative facilities, troop housing and utilities, \$3,564,000.

Carlisle Barracks, Pennsylvania: Operational and training facilities, and troop housing, \$5,244,000.

Fort Knox, Kentucky: Troop housing and utilities, \$7,778,000.

Fort Lee, Virginia: Training facilities, \$2,900,000.

Fort George G. Meade, Maryland: Troop housing and community facilities, and utilities, \$2,084,000.

Fort Ritchie, Maryland: Operational facilities, \$1,600,000.

(Third Army)

Fort Benning, Georgia: Operational facilities, and administrative facilities, \$5,452,000.

Fort Bragg, North Carolina: Troop housing and community facilities, \$5,655,000.

Fort Gordon, Georgia: Training facilities, and troop housing, \$13,968,000.

Fort Jackson, South Carolina: Training facilities, and troop housing, \$15,383,000.

Fort Rucker, Alabama: Training facilities, and troop housing, \$2,994,000.

Fort Stewart, Georgia: Training facilities, and maintenance facilities, \$627,000.

(Fourth Army)

Fort Bliss, Texas: Operational facilities, community facilities, and utilities, \$721,000.

Fort Hood, Texas: Maintenance facilities, supply facilities, and troop housing, \$11,726,000.

Fort Sam Houston, Texas: Administrative facilities, \$396,000.

Fort Polk, Louisiana: Troop housing, \$627,000.

Fort Sill, Oklahoma: Maintenance facilities, supply facilities, troop housing and utilities, \$3,207,000.

(Fifth Army)

Fort Carson, Colorado: Maintenance facilities, supply facilities, troop housing, and real estate, \$18,256,000.

Fort Benjamin Harrison, Indiana: Troop housing, \$1,652,000.

Fort Leavenworth, Kansas: Administrative facilities, \$352,000.

Fort Riley, Kansas: Maintenance facilities, medical facilities, troop housing, and real estate, \$18,692,000.

Fort Sheridan, Illinois: Medical facilities, administrative facilities, and utilities, \$5,544,000.

Fort Leonard Wood, Missouri: Training facilities, maintenance facilities, medical facilities, troop housing and community facilities, \$16,679,000.

(Sixth Army)

Fort Irwin, California: Troop housing, \$2,643,000.

Fort Lewis, Washington: Training facilities, maintenance facilities, and troop housing, \$1,906,000.

Presidio of Monterey, California: Training facilities, \$194,000.

Fort Ord, California: Troop housing, \$777,000.

Presidio of San Francisco, California: Utilities, \$283,000.

Yakima Training Center, Washington: Training facilities, \$303,000.

(Military District of Washington, District of Columbia)

Fort McNair, District of Columbia: Training facilities, \$1,350,000.

Fort Myer, Virginia: Medical facilities, and troop housing, \$4,052,000.

United States Army Materiel Command

(United States Army Missile Command)

Redstone Arsenal, Alabama: Research, development and test facilities, and utilities, \$2,389,000.

(United States Army Munitions Command)

Edgewood Arsenal, Maryland: Research, development and test facilities, and medical facilities, \$6,843,000.

Picatinny Arsenal, New Jersey: Production facilities, \$365,000.

Rocky Mountain Arsenal, Colorado: Administrative facilities, \$29,000.

(United States Army Supply and Maintenance Command)

Aeronautical Maintenance Center, Texas: Maintenance facilities, \$888,000.

Letterkenny Army Depot, Pennsylvania: Utilities, \$43,000.

Oakland Army Terminal, California: Operational facilities, administrative facilities, and utilities, \$1,117,000.

Savanna Army Depot, Illinois: Supply facilities, \$446,000.

Sierra Army Depot, California: Maintenance facilities, \$590,000.

Sunny Point Army Terminal, North Carolina: Utilities, \$131,000.

(United States Army Test and Evaluation Command)

Aberdeen Proving Ground, Maryland: Operational facilities, research, development and test facilities, \$784,000.

Fort Huachuca, Arizona: Hospital facilities, and utilities, \$4,635,000.

White Sands Missile Range, New Mexico: Research, development and test facilities, \$2,685,000.

(United States Army Weapons Command)

Watervliet Arsenal, New York: Utilities, \$77,000.

Technical Services Facilities

(Signal Corps)

East Coast Radio Receiving Station, La Plata, Maryland: Utilities, \$93,000.

East Coast Relay Station, Frederick, Maryland: Troop housing, \$257,000.

Army Pictorial Center, New York: Operational facilities and production facilities, \$1,120,000.

West Coast Radio Receiving Station, Santa Rosa, California: Utilities, \$76,000.

(Medical Service)

Brooke Army Medical Center, Texas: Operational facilities, \$104,000.

Letterman General Hospital, California: Hospital facilities, \$14,305,000.

Walter Reed Army Medical Center, District of Columbia: Training facilities, and utilities, \$1,019,000.

United States Military Academy

United States Military Academy, West Point, New York: Operational and training facilities, administrative facilities, cadet housing, community facilities and utilities, \$20,578,000.

Army Security Agency

Two Rock Ranch Station, California: Operational facilities, \$1,014,000.

Vint Hill Farms Station, Virginia: Operational facilities, \$997,000.

Army component commands

(United States Army Air Defense Command)

Various locations: Operational facilities and troop housing, \$646,000.

(Alaska Command Area)

Fort Richardson, Alaska: Operational facilities, maintenance facilities, and administrative facilities, \$767,000.

Fort J. M. Wainwright, Alaska: Maintenance facilities, troop housing, and utilities, \$743,000.

(Pacific Command Area)

Aliamanu Military Reservation, Hawaii: Utilities, \$247,000.

Schofield Barracks, Hawaii: Operational facilities, maintenance facilities, and administrative facilities, \$3,235,000.

Fort Shafter, Hawaii: Administrative facilities and utilities, \$1,370,000.

Tripler Army Hospital, Hawaii: Medical facilities, \$100,000.

Outside the United States

Army Materiel Command

(United States Army Missile Command)

Kwajalein Island: Research, development and test facilities, hospital facilities, and troop housing, \$32,119,000.

Army Security Agency

Various locations: Operational facilities, \$5,602,000.

Army component command

(Pacific Command Area)

Korea: Operational facilities, maintenance facilities, supply facilities, troop housing and utilities, \$8,509,000.

Okinawa, various: Utilities, \$1,064,000.

Taiwan: Utilities, \$26,000.

(European Command Area)

Germany: Operational facilities, and maintenance facilities, \$3,252,000.

(United States Army Forces Southern Command)

Fort Kobbe, Canal Zone: Troop housing, \$343,000.

Quarry Heights, Canal Zone: Utilities, \$86,000.

Sec. 102. Any of the authority in title I of this Act may be utilized for the establishment or development of Army installations and facilities made necessary by changes in Army missions and responsibilities which have been occasioned by: (a) unforeseen security considerations, (b) new weapons developments, (c) new and unforeseen research and development requirements, or (d) improved production schedules, if the Secretary of Defense determines that deferral of such construction for inclusion in the next military construction authorization Act would be inconsistent with interest of national security, and in connection therewith to acquire, construct, convert, rehabilitate, or install permanent or temporary public works, including land acquisition, site preparation, appurtenances, utilities, and equipment: *Provided*, That the total cost of projects constructed under this section shall not exceed \$17,500,000: *And provided further*, That the Secretary of the Army, or his designee, shall notify the Committees on Armed Services of the Senate and House of Representatives, immediately upon reaching a final decision to implement, of the cost of construction of any public work undertaken under this section, including those real estate actions pertaining thereto. This authorization will expire as of September 30, 1965, except for those public works projects concerning which the Committees on Armed Services of the Senate and House of Representatives have been notified pursuant to this section prior to that date.

Sec. 103. (a) Public Law 88-174 is amended under heading "Inside the United States" in section 101, as follows:

(1) Under the heading "ARMY COMPONENT COMMANDS" and under the subheading "PACIFIC COMMAND AREA", with respect to "Fort Shafter, Hawaii", strike out "\$74,000" and insert in place thereof "\$91,000"

(b) Public Law 88-174 is amended by striking out in clause (1) of section 602 "\$154,976,000", and "\$199,633,000" and inserting in place thereof "\$154,993,000", and "\$199,650,000", respectively.

TITLE II

Sec. 201. The Secretary of the Navy may establish or develop military installations and facilities by acquiring, constructing, converting, rehabilitating, or installing permanent or temporary public works, including site preparation, appurtenances, utilities, and equipment for the following projects:

Inside the United States

Bureau of Ships Facilities

(Naval shipyards)

Naval Shipyard, Charleston, South Carolina: Maintenance facilities, administrative facilities, and utilities, \$1,675,000.

Naval Shipyard, Pearl Harbor, Oahu, Hawaii: Operational facilities, and utilities, \$1,171,000.

Naval Shipyard, Portsmouth, New Hampshire: Maintenance facilities and utilities, \$4,760,000.

(Fleet support stations)

Naval Facility, Cape Hatteras, North Carolina: Utilities, \$36,000.

Naval Facility, Nantucket, Massachusetts: Community facilities, \$162,000.

Naval Submarine Base, New London, Connecticut: Operational facilities, administrative facilities, and troop housing and community facilities, \$4,641,000.

Headquarters, Commander-in-Chief, Atlantic Fleet, Norfolk, Virginia: Administrative facilities, and troop housing, \$1,550,000.

(Research, development, test, and evaluation stations)

Navy Marine Engineering Laboratory, Annapolis, Maryland: Utilities, \$356,000.

David Taylor Model Basin, Carderock, Maryland: Research, development and test facilities, \$3,811,000.

Navy Mine Defense Laboratory, Panama City, Florida: Utilities, \$150,000.

Navy Electronics Laboratory, San Diego, California: Operational facilities, \$1,196,000.

Naval Radiological Defense Laboratory, San Francisco, California: Research, development and test facilities, \$793,000

Fleet base facilities

Naval Station, Boston, Massachusetts: Troop housing, \$260,000.

Naval Station, Charleston, South Carolina: Operational facilities, and community facilities, \$2,509,000.

Naval Command System Support Activity, District of Columbia: Administrative facilities, \$1,516,000.

Naval Station, Key West, Florida: Operational facilities, \$428,000.

Naval Station, Long Beach, California: Troop housing and community facilities, \$3,054,000.

Naval Station, Newport, Rhode Island: Operational facilities, and troop housing, \$1,761,000.

Naval Station, Norfolk, Virginia: Operational facilities, \$242,000.

Naval Station, Pearl Harbor, Oahu, Hawaii: Troop housing and community facilities, \$2,775,000.

Naval Station, San Diego, California: Operational facilities, supply facilities, and troop housing, \$1,320,000.

Senate

July 23, 1964

States (H. Rept. 1565). p. 16323

10. RECLAMATION. The Interior and Insular Affairs Committee reported with amendment H. R. 3672, to provide for the construction, operation, and maintenance of the Savery-Pot Hook and Fruitland Mesa participating reclamation projects under the Colorado River Storage Project Act (H. Rept. 1571); and S. J. Res. 49, authorizing the Secretary of the Interior to carry out a continuing program to reduce nonbeneficial consumptive use of water in the Pecos River Basin, in N. Mex. and Tex. (H. Rept. 1572). p. 16323
11. EDUCATION. The Education and Labor Committee ordered reported (but did not actually report) H. R. 11904, to amend and extend the National Defense Education Act. p. D583
12. FOREIGN TRADE. Rep. Curtis inserted an analysis prepared by the Library of Congress of the Joint Economic Committee's report, "The United States Balance of Payments." pp. 16309-11
13. PATENTS. Rep. Roudsbush discussed the U. S. patent system and the antitrust laws and stated that he is of the conviction there is no conflict between the objectives of the antitrust statutes and the patent laws. pp. 16318-20
14. LEGISLATIVE PROGRAM. Rep. Albert announced that the legislative program for next week will include H. R. 9070, to establish a National Wilderness Preservation System. p. 16306
15. ADJOURNED until Mon., July 27. p. 16306

SENATE

16. POVERTY. By a vote of 62 to 33 passed with amendments S. 2642, the poverty bill. pp. 16142-7, 16148-54, 16156-70, 16178-244.

Agreed to the following amendments:

- By Sen. Smathers, 80 to 7, to modify the amendment by Sen. Javits, to facilitate effective participation of States in programs under the bill. pp. 16164-5
- By Sen. Young, N. Dak., to indemnify dairy farmers forced to remove their milk from the market because of chemical residues. pp. 16187-90
- By Sen. Keating to provide a voluntary assistance program for needy children. pp. 16193-5
- By Sen. Lausche, 49 to 43, to eliminate the proposed family farm development corporations. pp. 16195-202.
- By Sen. McNamara, as an amendment to one proposed by Sen. Lausche, to reduce the authorization under Title III, Special Programs to Combat Poverty in Rural Areas, from \$50,000,000 to \$35,000,000. pp. 16208-9
- By Sen. Humphrey to authorize loans rather than grants of up to \$1,500 to low income rural families. pp. 16191-3
- By Sen. Clark of a technical, corrective nature, respecting contracts for research, training, and demonstrations. p. 16203

Rejected the following amendments:

- By Sen. Prouty, 45 to 46, to require prior approval of a State Governor before assistance may be furnished to any State program or project. pp. 16156-65
- By Sen. Holland, 46 to 49, to give the Governor of each State the right to a 30-day review of projects for youth programs and urban and rural community action programs. pp. 16203-8

- By Sen. Prouty, 33 to 61, to bar the establishment or operation by any Federal agency of conservation camps. pp. 16209-13
- By Sen. Lausche, 37 to 57, to reduce by \$100,000,000 the authorization of appropriations to finance Title I, Youth Programs. pp. 16214-5
- By Sen. Ervin to bar a grant to any school affiliated with any church or related organization. pp. 16190-2
17. STOCKPILE. Received from GSA a proposed bill to authorize disposal, without regard to the 6-month waiting period, of approximately 9,500,000 pounds of sisal from the national stockpile; to Armed Services Committee. p. 16115
Sen. Byrd, Va., inserted the report of the Joint Committee on Reduction of Nonessential Federal Expenditures showing Federal stockpile inventories for May 1964. pp. 16116-25
18. INDIANA DUNES. Sen. Douglas spoke in favor of S. 2249, to establish the Indiana Dunes National Lakeshore. pp. 16128-9
19. LOANS. Sen. Douglas inserted and commended an editorial favoring enactment of the truth-in-lending bill. p. 16129
Sen. Williams, Del., criticized Farmers Home Administration loans for recreation development. pp. 16141-2
20. FOOD PRICES. Sen. Hartke said food is now cheaper, in relation to income, than ever before, and inserted an article on this subject. pp. 16130-1
21. FISH. Sen. Pell inserted an article by Harlan C. Lampe on the problems of the fishing industry, in which he states that the U. S. is unusual in having such a strong agriculture that it can afford "the luxury of a declining fish industry." pp. 16130-1
22. ALASKA RELIEF. Sen. Jackson moved that the Senate concur in the House amendment to S. 2881, the Alaska relief bill, with a further amendment. There was discussion but no action upon this motion. pp. 16197-8
23. APPROPRIATIONS. Sen. Bennett inserted a summary and recommendations on the budget by the American Farm Bureau Federation. pp. 16245-7
24. FOREIGN TRADE. Sen. Javits noted an improvement in the balance-of-payments situation. pp. 16249-50
25. FISCAL AND ECONOMIC POLICY. Sen. Douglas inserted and commended a Washington Post editorial supporting the work of Rep. Patman and others in "formulating a series of proposals designed to achieve a closer coordination between our monetary policy and the other economic policies of the Federal Government." pp. 16251-2
26. TAXATION. The Finance Committee ordered favorably reported (but did not actually report) with amendment S. 2281, to clarify the components of, and to assist in the management of, the national debt and the tax structure; and H. R. 7307, to amend the Internal Revenue Code with respect to apportionment of the depletion allowance between parties to certain contracts. p. D581

tural production would be less than 1 percent.

The proponents of the bill have not been talking about hungry people, and they should not hang their heads in shame before the rest of the world because of the reference to hungry people. We are not doing it. The opponents of the bill have repeatedly done it. I believe this provision is an effort to help farm people who need help very much. I hope the Senate will retain this section in the bill.

Mr. JACKSON. Mr. President, will the Senator yield me 5 minutes on the bill?

Mr. McNAMARA. I yield the Senator 5 minutes on the amendment.

AMENDMENT OF ALASKA OMNIBUS ACT

The PRESIDING OFFICER laid before the Senate the amendment of the House of Representatives to the bill (S. 2881) to amend the Alaska Omnibus Act to provide assistance to the State of Alaska for the reconstruction of areas damaged by the earthquake of March 1964 and subsequent seismic waves, and for other purposes, which was, to strike out all after the enacting clause and insert:

That this Act may be cited as the "1964 Amendments to the Alaska Omnibus Act".

SEC. 2. The Congress hereby recognizes that the State of Alaska has experienced extensive property loss and damage as a result of the earthquake of March 27, 1964, and subsequent seismic waves, and declares the need for special measures designed to aid and accelerate the State's efforts in providing for the reconstruction of the areas in the State devastated by this natural disaster.

SEC. 3. Section 21 of the Alaska Omnibus Act (73 Stat. 145) is amended by adding a new subsection (f) to read as follows:

"(f) Notwithstanding the limitation contained in subsection (f) of section 120 of title 23, United States Code, the Secretary of Commerce is authorized to make expenditures from the emergency fund under section 125 of such title for the repair or reconstruction of highways on the Federal-aid highway systems of Alaska which have been damaged or destroyed by the 1964 earthquake and subsequent seismic waves, in accordance with the Federal share payable under subsection (a) of section 120 of such title. The increase in expenditures resulting from the difference between the Federal share authorized by this subsection and that authorized by subsection (f) of section 120 of such title shall be reimbursed to the emergency fund by an appropriation from the general fund of the Treasury: *Provided*, That such increase in expenditures shall not exceed \$15,000,000 in the aggregate."

SEC. 4. The Alaska Omnibus Act (73 Stat. 141) is amended by adding the following new sections at the end of section 50 thereof:

"NEW FEDERAL LOAN ADJUSTMENTS

"SEC. 51. (a) The Secretary of Agriculture is authorized to compromise or release such portion of a borrower's indebtedness under programs administered by the Farmers Home Administration in Alaska as he finds necessary because of loss resulting from the 1964 earthquake and subsequent seismic waves, and he may refinance outstanding indebtedness of applicants in Alaska for loans under section 502 of the Housing Act of 1949 for the repair, reconstruction, or replacement of dwellings or farm buildings lost, destroyed, or damaged by such causes and securing such outstanding indebtedness. Such loans may

also provide for the purchase of building sites, when the original sites cannot be utilized.

"(b) The Secretary of Agriculture is authorized to compromise or release such portion of a borrower's indebtedness under programs administered by the Rural Electrification Administration in Alaska as he finds necessary because of loss, destruction, or damage of property resulting from the 1964 earthquake and subsequent seismic waves.

"SEC. 52. The Housing and Home Finance Administrator is authorized to compromise or release such portion of any note or other obligation held by him with respect to property in Alaska pursuant to title II of the Housing Amendments of 1955 or included within the revolving fund for liquidating programs established by the Independent Offices Appropriation Act of 1955, as he finds necessary because of loss, destruction, or damage to facilities securing such obligations by the 1964 earthquake and subsequent seismic waves.

"URBAN RENEWAL

"SEC. 53. The Housing and Home Finance Administrator is authorized to enter into contracts for grants not exceeding \$25,000,000 for urban renewal projects in Alaska, including open land projects, under section 111 of the Housing Act of 1949, which he determines will aid the communities in which they are located in reconstruction and redevelopment made necessary by the 1964 earthquake and subsequent seismic waves. Such authorization shall be in addition to and separate from any grant authorization contained in section 103(b) of said Act.

"The Administrator may increase the capital grant for a project assisted under this section to not more than 90 per centum of net project cost where he determines that a major portion of the project area has either been rendered unusable as a result of the 1964 earthquake and subsequent seismic waves or is needed in order adequately to provide, in accordance with the urban renewal plan for the project, new locations for persons, businesses, and facilities displaced by the earthquake.

"EXTENSION OF TERM OF HOME DISASTER LOANS

"SEC. 54. Loans made pursuant to paragraph (1) of section 7(b) of the Small Business Act (72 Stat. 387), as amended (15 U.S.C. 636(b)), for the purpose of replacing, reconstructing, or repairing dwellings in Alaska damaged or destroyed by the 1964 earthquake and subsequent seismic waves, may have a maturity of up to thirty years: *Provided*, That the provisions of section 7(c) of said Act shall not be applicable to such loans.

"MODIFICATION OF CIVIL WORKS PROJECTS

"SEC. 55. The Chief of Engineers, under the direction of the Secretary of the Army, is hereby authorized to make such modifications to previously authorized civil works projects in Alaska adversely affected by the 1964 earthquake and subsequent seismic waves as he finds necessary to meet changed conditions and to provide for current and reasonably prospective requirements of the communities they serve, at an estimated cost of \$10,000,000.

"PURCHASE OF ALASKA STATE BONDS

"SEC. 56. The Housing and Home Finance Administrator is authorized to purchase, in accordance with the provisions of sections 202(b), 203, and 204 of title II of the Housing Amendments of 1955, the securities and obligations of, or make loans to, the State of Alaska to finance any part of the programs needed to carry out the reconstruction activities in Alaska related to the 1964 earthquake and subsequent seismic waves or to complete capital improvements begun prior to the earthquake: *Provided*, That the aggregate amount of such purchase or loan shall not exceed \$25,000,000: *Provided further*,

That the terms of repayment of such securities and obligations or loans shall be as follows: Repayment of the principal sum in fifty years from the date of the borrowing payable in equal annual payments beginning ten years after the money is lent at an annual interest rate not to exceed 3 per centum on the unpaid balance.

"PURCHASE OF HOME MORTGAGES

"SEC. 57. The Federal National Mortgage Association is authorized to repurchase at a cost not to exceed par any home mortgage insured by the Federal Housing Administration which is secured by property in Alaska which was lost, destroyed, or severely damaged as a result of the 1964 earthquake or subsequent seismic waves. Any such purchase shall be made from funds available to the Association for carrying out its special assistance functions pursuant to section 305 of the National Housing Act; except that the aggregate amount of such purchases shall not exceed \$10,000,000."

APPROPRIATION AUTHORIZATION

SEC. 5. There is authorized to be appropriated such sums as may be necessary to carry out the provisions of this Act, which shall be available for obligation until June 30, 1967. There is also authorized to be appropriated such sums as may be necessary for the expenses of such advisory commissions or committees as the President may establish in connection with the reconstruction and development planning of the State of Alaska. The total amount authorized to be appropriated pursuant to this section shall not exceed \$50,150,000.

TERMINATION DATE

SEC. 6. The authority contained in this Act shall expire on June 30, 1967, except that such expiration shall not affect the payment of expenditures for any obligation or commitment entered into under this Act prior to June 30, 1967.

REPORTING

SEC. 7. The President shall report semi-annually during the term of this Act to the President of the Senate and the Speaker of the House on the actions taken under this Act by the various Federal agencies. The first such report shall be submitted not later than February 1, 1965, and shall cover the period ending December 31, 1964.

Mr. JACKSON. Mr. President, I move that the Senate concur in the House amendment with an amendment to strike out the colon at the end of the third line from the bottom of page 5, or after the figure "\$25,000,000," and to strike out all of the remaining two lines on that page together with all on page 6 down to and including all of section 57.

Mr. President, I should like to make a very brief statement on this subject.

The House amended the bill to include a provision for the repurchase—up to \$10 million—by the Federal National Mortgage Association of FHA-insured mortgages secured by property in Alaska destroyed or severely damaged in the 1964 earthquake.

Under this amendment, the FNMA could be authorized to repurchase only those mortgages which it, at some time, held in its portfolio.

The other provision relates to the interest rate in connection with the Alaska State bonds which the Federal Government could purchase.

The House rate was 3 percent on the unpaid balance. The Senate provision provided for the going rate.

I have discussed the matter with the chairman of the House committee, Mr.

ASPINALL, and I have discussed it with the Representative from Alaska, Mr. RALPH RIVERS. If it were possible, all of us would like to see the House amendment agreed to. However, we must realistically face a situation in which it is believed, in the executive branch of the Government, that these amendments would set precedents incompatible and inconsistent with aid given in other disasters.

Therefore, what we are doing here is to ask that the Senate agree to the House amendments except the one relating to repurchase of mortgages by the FNMA, and the 3-percent interest provision in the House-amended bill.

Of course, we have accepted the other House amendments. One provides for the eligibility of Anchorage for 90 percent urban renewal project capital grants. This provision was excluded from the Senate bill.

We also go along with the \$50,150,000 ceiling on additional obligational authority placed in the bill by the House, and the provision to require reporting to the Senate and House of Representatives on actions taken under the act.

Every one of us would like to see more help given to Alaska. But I believe we must realize that effective legislating requires knowing the proper time for compromise.

This proposal represents the best possible effort that we can make, consistent with the requirements of balancing our duties and responsibilities with the position of the executive branch of the Government.

To go beyond this would mean that we would be confronted with a possible veto.

We must be responsible and accept this proposal in the Senate as the best program we can obtain in connection with the terrible disaster that has befallen our 49th State.

Mr. GRUENING. I greatly appreciate the interest of the distinguished Senator from Washington [Mr. JACKSON] concerning this matter, but I respectfully disagree with him and hope that the Senate will accept the House bill with all its amendments. They substantially improve the bill. One of the amendments to the original omnibus bill is that the Federal Government will accept bonds of the State of Alaska. The interest rate fixed in the Senate was 3½ percent. I had sought a rate of three-fourths of 1 percent, which we continue to give freely abroad. But that amendment was tabled in the Senate Interior Committee. The House amendment reduces the rate from 3½ percent to 3 percent. In other words, we are quarreling over a measly five-eighths of 1 percent for the State of Alaska, which has been struck by the worst disaster that has befallen any State in our history. We are doing this in the face of an impending attempt—which will be successful—to pass a foreign aid authorization bill of not merely \$3.5 billion, which is supposed to be the “bare bones” amount, but which will amount to \$5 or \$6 billion when all the additional spigots are included. In that bill we will be providing through development loans more than \$1 billion of aid to foreign countries at three-

fourths of 1 percent a year as we have done in the past year, 1963. But when it comes to the State of Alaska, I am merely asking for a reduction of five-eighths of a percent in interest charges from the debt that the people of Alaska will have to pay back to their own Federal Government.

Mr. HOLLAND. Mr. President, will the Senator from Alaska yield?

Mr. KEATING. I yield to the Senator from Florida?

Mr. HOLLAND. Does the Senator recall that on the REA loans made by the Federal Government to the people the rate of interest is 2 percent?

Mr. GRUENING. That is correct.

Mr. HOLLAND. And there is no disaster.

Mr. GRUENING. But here we have a disaster, a disaster of unprecedented magnitude that has befallen a portion of the American people.

Mr. HOLLAND. Those loans have totaled a good many billion dollars. The Senator has a point. I hope he will prevail.

Mr. GRUENING. I hope, in the first place, that this particular amendment made by the House, which involves only the State of Alaska, and provides for a \$25 million loan, will prevail. It reduces the amount of interest to be paid by the people of Alaska by a mere five-eighths of 1 percent. That is the crux of the whole issue. The Senate bill pegs the interest rate at 3½ percent; the House amendment reduces the rate to 3 percent.

I submit that the State of Alaska should be enabled to borrow money from the Federal Government at 3 percent, while at this very time it is planning to lend more than a billion dollars to foreign countries, for all kinds of enterprises, at three-quarters of 1 percent, with no repayment of principal for 10 years.

I have before me a list of the loans that have been made in the past year—1963—to foreign governments at three-quarters of 1 percent. They include loans on those terms to private and public enterprises in Argentina, Bolivia, Chile, Colombia, Costa Rica, India, Nepal, Pakistan, Turkey, the United Arab Republic, Cameroon, Ethiopia, Ivory Coast, Liberia, Mali, Niger, Nigeria, Somalia, Sudan, Tanganyika.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. GRUENING. Mr. President, I ask unanimous consent that I may have another 5 minutes.

Mr. MANSFIELD. Mr. President, as a favor, we allowed 5 minutes for the consideration of this subject. I think we should return to the business at hand.

Mr. GRUENING. In that case, I ask that this matter be taken up at a time when my colleague from Alaska can also be in the Chamber, and I can have time to present Alaska's case.

Mr. BARTLETT. Mr. President, I wish to have the RECORD note that I am in the Chamber; but I do join in the request for additional time.

Mr. GRUENING. This is an important issue. We would like to discuss the

two amendments and have them passed upon.

ECONOMIC OPPORTUNITY ACT OF 1964

The Senate resumed the consideration of the bill (S. 2642) to mobilize the human and financial resources of the Nation to combat poverty in the United States.

Mr. FULBRIGHT. Mr. President, will the Senator yield 10 minutes to me?

Mr. McNAMARA. Mr. President, I yield 10 minutes on the bill to the distinguished Senator from Arkansas.

Mr. MORSE. Mr. President, a point of order.

The PRESIDING OFFICER. The Senator from Arkansas is recognized.

Mr. FULBRIGHT. Mr. President, I ask unanimous consent that I may yield to the distinguished Senator from Rhode Island for an insertion in the RECORD.

Mr. PASTORE. I thank the Senator from Arkansas for his indulgence.

Mr. President, sometimes an observant editor can compress into a few paragraphs the essence of the pro's and con's of legislation that command our oratory for weeks. I feel that the editorial column of the Providence Journal for Tuesday, July 21, 1964, renders that service for S. 2642, “The Bill To Fight Poverty,” as the editor properly titles it.

The paradox of our abject poverty in the midst of our unequalled prosperity impels the editor to logical support of the bill as one that is modest in cost—mostly local in administration—for its help toward self-help and because, in simple words, the measure is needed.

I ask unanimous consent that the editorial be made a part of my remarks at this point in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

THE BILL TO FIGHT POVERTY IS ASSIGNED TOP PRIORITY

The Johnson administration appears to be contradicting itself this week on the state of the American economy. Appearances can be deceptive.

On the one hand, President Johnson has been boasting that Americans have never had it so good. Mr. Johnson gleefully pointed out to the press the other day that the gross national product in the March-June quarter soared to \$618.5 billion, up \$10 billion; that personal income has risen \$11.4 billion to an alltime high of \$491.3 billion, that non-farm employment in June reached a record of 59.1 million, and that industrial production has climbed to 131.8 percent of the 1957-59 average.

On the other hand, the administration is pushing as must legislation for the reconvened Congress a billion-dollar catch-all program to fight poverty.

The paradox of pleading poverty in the midst of plenty is clear. But it would be wrong to write this off as the figment of a confused political imagination. The paradox is real; it exists and persists as a fundamental fact in an economy which has given a large majority of Americans the most abundant lives that any people have ever enjoyed, but which, at the same time, has failed to provide minimum opportunities and rewards to millions of their fellow citizens.

The Johnson antipoverty measure faces a stiff, partisan battle in Congress. It ought to be carefully studied and thoroughly de-

Digest of CONGRESSIONAL PROCEEDINGS

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OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

UNITED STATES DEPARTMENT OF AGRICULTURE

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HIGHLIGHTS: House Rules Committee cleared wilderness bill. Sen. Hart commended House for passage of land-water conservation fund bill. Sen. Ribicoff announced resumption of pesticide hearings. Sen. Miller inserted article, "Imported Beef a Hazard." Sen. Monroney praised REA programs and inserted prize-winning essay.

SENATE

1. **DEFENSE APPROPRIATIONS, 1965.** The Appropriations Committee reported with amendments this bill, H. R. 10939 (S. Rept. 1238). p. 16326
Sen. Javits submitted for himself and others an amendment intended to be proposed to this bill, H. R. 10939. p. 16330
2. **LEGISLATIVE BRANCH APPROPRIATION BILL, 1965.** The Appropriations Committee reported with amendments this bill, H. R. 10723 (S. Rept. 1239). p. 16397
3. **LANDS.** A subcommittee of the Interior and Insular Affairs Committee voted to report to the full committee H. R. 5159, to direct that certain lands exclusively administered by the Secretary of the Interior be classified in order to provide for their disposal or interim management under principles of multiple use and to produce a sustained yield of products and services. p. D587
4. **PESTICIDES.** Sen. Ribicoff announced that the Subcommittee on Reorganization and International Organizations of the Senate Committee on Government Operations will resume its hearings on pesticides on July 28-29. p. 16331

5. POVERTY. Sen. McClellan asked that his vote, erroneously recorded "yea" on the roll call vote on S. 2642, the poverty bill, be changed to "nay." p. 16333
6. ALASKA. Sen. Jackson withdrew an amendment previously proposed by him to S. 2881, the Alaska relief bill. Senate conferees were appointed. House conferees have not yet been appointed. pp. 16356-7
7. BEEF IMPORTS. Sen. Miller commended and inserted an editorial, "Imported Beef a Hazard." p. 16376
8. RECREATION. Sen. Hart commended the House for its passage of H. R. 3846, the land-water conservation fund bill. p. 16383
9. NATIONAL PARKS. A subcommittee of the Interior and Insular Affairs Committee voted to report to the full committee S. 1365, with amendment, to establish the Fire Island National Seashore; and S. 2249, with amendment; to establish the Indiana Dunes National Lakeshore. p. D587
10. FOREIGN AID. Sen. Gruening submitted an amendment, intended to be proposed by him, to H. R. 11380, the foreign-aid authorization bill. The amendment, embodying the provisions of S. 1856, would increase the authorization for the accelerated public works program by \$1.5 billion. pp. 16330-1
11. WHEAT. Sen. Boggs was added as cosponsor of S. 3024, to encourage industrial use of wheat products. p. 16398
12. EDUCATION. The "Daily Digest" states that the Education Subcommittee of the Labor and Public Welfare Committee "approved for full committee consideration an original bill embodying proposed National Defense Education Act Amendments for 1964, and extending that act for 3 years." The bill would also extend for 2 years the Federal impacted area legislation. Another original bill, in lieu of S. 2490, would authorize funds for higher education student assistance. p. D587
13. PERSONNEL. A subcommittee of the Judiciary Committee approved for full committee consideration S. 1351, to give U.S. district courts jurisdiction over claims for pensions or compensation by Government employees. p. D587
14. ADJOURNED until Mon., July 27. p. 16398

HOUSE

15. WILDERNESS. The Rules Committee granted an open rule, with 2 hours of debate, on H. R. 9070, to establish a Wilderness Preservation Center. p. D588

ITEMS IN APPENDIX

16. RECREATION. Speeches in the House by Rep. Mills and Westland during debate on the bill to establish a land and water conservation fund. pp. A3881-2, A3884-
17. ELECTRIFICATION. Extension of remarks of Sen. Monroney commending REA programs and inserting a prize-winning essay, "History of the Southwest Rural Electric Association." pp. A3885-6

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COMMITTEE HEARINGS JULY 27: Technical help in community projects, H. Agriculture (Klingebeel, SCS, to answer questions). Additional crop-insurance counties, H. Agriculture (Morrison, FCIC, to testify). Election and functions of ASC committee men, H. Agriculture (Fitzgerald, ASCS, to testify).

out across the land. The Midsouth listened in this week.

[From the Memphis (Tenn.) Commercial Appeal, July 22, 1964]

SCHOOLS FEELING RIGHTS ACT GRIP: FEDERAL OFFICERS ARE TAKING INITIATIVE TO IMPLEMENT COMPLIANCE

(By Kenneth Starck)

Educational institutions that do not comply with the Civil Rights Act must face the possibility of a cutoff of Federal financial aid, top Government official said in Memphis last night.

James M. Quigley, Assistant Secretary of the Department of Health, Education, and Welfare, said the responsibility of seeing that the provisions of the act are complied with rests with his Department.

"We can't sit around and do nothing and wait for complaints to be filed," he said. "We've got to move ahead."

Mr. Quigley said each school district and educational institution will be asked if it is complying with the act. If it is, then it will be asked to furnish evidence, and if it is not, then "on the basis of that we move ahead," he said.

Mr. Quigley, who made his comments in an interview last night, is in Memphis with four other top Government officials to discuss with educators from a four-State area the civil rights legislation as it affects education.

Accompanying him are Francis Keppel, U.S. Commissioner of Education; Dr. David E. Price, Deputy Surgeon General from the Office of Public Health Service; Keith Kelson of the National Science Foundation and John A. Cox, deputy administrator of the Federal Extension Service of the Agriculture Department.

The school officials, which will include college and university presidents and superintendents, will come from Tennessee, Missouri, Mississippi and Kentucky. Several hundred are expected at the meeting called by Anthony Celebrezze, HEW Secretary.

The meeting will be at 10 a.m. today at the Peabody.

Mr. Quigley said some educators are confused by the provisions of the act. Many, he said, believe that the legislation requires formal suits to be brought against a school district before the Government can step in.

If they do not comply, he said, a hearing would be sought and if the decision held the law was not being complied with, Federal moneys could be withheld after 30 days. The entire case would be subject to judicial review, he said.

The five-man team conducted a similar meeting yesterday at Little Rock and earlier appeared in Houston, Tex. They will go to Atlanta tomorrow and Charlotte Friday.

Mr. GORE. Mr. President, as a result of those meetings, educators in Tennessee and in other States have expressed concern that Federal financial assistance might be withheld immediately, or very soon, thus jeopardizing financing for the school year soon to begin.

I do not wish to raise again the entire issue of the civil rights law or even title VI of the law. That is not my purpose at all. Indeed, I do not now wish to raise any controversy. I wish only to express the hope that President Johnson and all the officials of the administration will give to Congress and to the people the fullest possible information about action taken or contemplated under the authority of title VI.

From statements attributed to Assistant Secretary of Health, Education, and Welfare James M. Quigley, it appears

that Federal officials will act to withdraw financial assistance from educational systems if they determine that a school program, or any part thereof, is not in compliance with the recently enacted civil rights law. But how do school officials in my State know whether they are in compliance or not in compliance? I ask these questions because title VI of the Civil Rights Act provides as follows:

Section 602. Each Federal department and agency which is empowered to extend Federal financial assistance to any program or activity, by way of grant, loan, or contract other than a contract of insurance or guaranty, is authorized and directed to effectuate the provisions of section 601 with respect to such program or activity by issuing rules, regulations, or orders of general applicability which shall be consistent with achievement of the objectives of the statute authorizing the financial assistance in connection with which the action is taken. No such rule, regulation, or order shall become effective unless and until approved by the President.

So far as I am able to learn, no rule, regulation, or order of general applicability, as required by the law, has been promulgated or has received the approval of the President. I am not urging haste in this regard. I realize that these are difficult problems and difficult questions that I raise, yet the people have a right to know.

I realize, too, that President Johnson has many difficulties with which to cope. Not only is he troubled over Vietnam and civil disobedience, but he has both General de Gaulle and Senator GOLDWATER to cope with now. It is not in a sense of adding to his burdens or in any sense to be critical of him or of any official of the administration that I speak. I wish to make it perfectly clear that I am trying to avoid raising any controversy or pointing a finger of criticism at anyone.

But the school officials of Tennessee and of several other States have been called together and warned that unless they comply with the law, school funds or Federal financial assistance for educational programs will be terminated.

There are many questions to be raised. I do not know if even Assistant Secretary Quigley yet knows exactly what will be deemed to constitute discrimination or what will constitute good faith compliance until the regulations and orders of general applicability are issued, and approved by the President, as required by the statute.

In my opinion, the school officials are entitled to know what will or will not constitute compliance with the law for the purpose of making a determination of whether to terminate aid. The law directs that action be taken if any person is "subjected to discrimination under" any program or activity receiving Federal financial assistance. But the term "subjected to discrimination" was not defined either in the bill or in the committee report. So far as I am aware, school officials still do not know what facts and circumstances will be deemed by Federal officials to constitute non-compliance with the law. Indeed, these Federal officials do not yet know themselves in the absence of promulgation of said rules, regulations, and orders with the approval of the President. Perhaps I will be pardoned for saying that this

indefinite but broad grant of power was one of the persuasive reasons that I opposed enactment of the bill.

With the start of a new school term imminent, concerned school officials are entitled to know just how the Department of Health, Education, and Welfare and other Federal agencies which provide Federal financial assistance expect to proceed under the sweeping authority granted in the law.

During debate on the bill, many Senators stated their view that it was not intended that this authority be used punitively or arbitrarily, and that those who are making a good faith effort to eliminate discrimination would have nothing to fear from the law. But here again, the decision will rest upon the judgment of a Federal official who, in the final analysis, will decide, subject to the rules, regulations or orders of general applicability approved by the President, just what constitutes good faith as well as what constitutes discrimination, and what, thus, constitutes compliance. Moreover, such rules and regulations may be subject to change.

While I recognize, as I did during debate on the civil rights bill, the merits of the objective of eliminating discrimination in the expenditure of Federal funds, I opposed this title, as the Senate will recall, because I considered the language deficient from the standpoint of definition of terms and procedures, because its implementation would unavoidably punish innocent beneficiaries for the acts or omissions of others over whom they have no control, and because of the possibility that educational opportunity, which is the necessary handmaiden of progress, would be greatly impaired by the termination of aid.

Title VI is broad in scope. Its coverage extends into almost every facet of our national life. Indeed, its full scope was not definitely prescribed by the bill. Though public programs other than education may be involved and affected, I am immediately concerned about application of the authority and mandate in title VI by those Federal departments and agencies which provide financial assistance to States, counties, and school districts, having in mind the commingling of Federal aid funds with State funds, county, and municipal funds under State laws.

The people of Tennessee have made great progress in the elimination of discrimination in our public education programs. This progress has been achieved with a minimum of discord and disturbance. We do not, however, yet have a public school system throughout Tennessee, or perhaps even throughout any county in Tennessee, which fully meets the requirements that could possibly be prescribed by regulations within the limits of the authority contained in the law.

I would anticipate that a period of transition or adjustment will continue for some time in some areas of Tennessee. The new school term is scheduled to begin shortly. Many citizens are concerned about the possibility that the authority of title VI may be used to terminate or withhold various forms of Federal financial assistance which support

in significant degree the overall programs at State, county, and municipal levels, including education.

As I said in the beginning, school officials have let it be known that they are deeply concerned over the possibility that the funds may be cut off, thus jeopardizing the financial integrity of school programs, during the school year soon to begin.

Specifically, these officials and many citizens are concerned about the definition of "discrimination" in the regulations to be issued by various Federal agencies, and approved by the President in accordance with the act, and about the nature of the conditions which will be deemed to constitute discrimination by those who administer these programs.

For example, does lack of an integrated faculty constitute discrimination of the type which would be deemed to justify or require the withholding of aid from a school district, a county school system, or from an entire State? Shall a school against which no complaint has been lodged be deemed to be operating in complicity, or must a school district prove it is in compliance as Secretary Quigley has reportedly indicated?

I realize, as I said earlier, that these are difficult problems and questions. There is compelling need, however, for clarity and care in the administration of the act.

I hope that President Johnson and the heads of the various agencies providing financial assistance which flows in part to education will inform the Congress and inform the people of the action taken or contemplated.

Although I voted against enactment of Public Law 88-352, I have stated publicly my view that it constitutes the law of the land and should be respected as such.

I believe that this is the view of a great majority of the citizens of Tennessee. I believe, further, that respect for the law and compliance with its terms would be enhanced by full and candid disclosure of each step being taken by Federal officials in the development of procedures for its enforcement.

Many of the titles of the civil rights law rely for their implementation upon court proceedings, in most cases initiated by those who seek the protection of the law. Not so with title VI. Title VI will be implemented by administrative action of Federal officials acting pursuant to regulations adopted by their agencies after approval by the President.

In view of the importance of the overall subject, and particularly in view of the imminence of the beginning of a new school term, I hope that the Congress will soon have a detailed report of the actions thus far taken by various departments and agencies toward the promulgation of rules and regulations and orders of general applicability under the authority of title V.

I do not speak for any Senator other than myself, but in behalf of the people of Tennessee I seek the fullest possible disclosure, in order that the people may know, in order that Senators may know, in order that public officials in my State shall know the actions which have been taken or which are proposed.

I should like to be advised of action proposed by any Federal department or agency with respect to the use of the authority and direction of title VI to withhold Federal financial aid for any educational program or activity affecting the State of Tennessee, or any county, municipality, or school system thereof.

AMENDMENT OF ALASKA OMNIBUS ACT

The PRESIDING OFFICER (Mr. BREWSTER in the chair) laid before the Senate the amendment of the House of Representatives to the bill (S. 2881) to amend the Alaska Omnibus Act to provide assistance to the State of Alaska for the reconstruction of areas damaged by the earthquake of March 1964 and subsequent seismic waves, and for other purposes, which was, to strike out all after the enacting clause and insert: "That this Act may be cited as the '1964 Amendments to the Alaska Omnibus Act'."

SEC. 2. The Congress hereby recognizes that the State of Alaska has experienced extensive property loss and damage as a result of the earthquake of March 27, 1964, and subsequent seismic waves, and declares the need for special measures designed to aid and accelerate the State's efforts in providing for the reconstruction of the areas in the State devastated by this natural disaster.

SEC. 3. Section 21 of the Alaska Omnibus Act (73 Stat. 145) is amended by adding a new subsection (f) to read as follows:

"(f) Notwithstanding the limitation contained in subsection (f) of section 120 of title 23, United States Code, the Secretary of Commerce is authorized to make expenditures from the emergency fund under section 125 of such title for the repair or reconstruction of highways on the Federal-aid highway systems of Alaska which have been damaged or destroyed by the 1964 earthquake and subsequent seismic waves, in accordance with the Federal share payable under subsection (a) of section 120 of such title. The increase in expenditures resulting from the difference between the Federal share authorized by this subsection and that authorized by subsection (f) of section 120 of such title shall be reimbursed to the emergency fund by an appropriation from the general fund of the Treasury: *Provided*, That such increase in expenditures shall not exceed \$15,000,000 in the aggregate."

SEC. 4. The Alaska Omnibus Act (73 Stat. 141) is amended by adding the following new sections at the end of section 50 thereof:

"NEW FEDERAL LOAN ADJUSTMENTS

"SEC. 51. (a) The Secretary of Agriculture is authorized to compromise or release such portion of a borrower's indebtedness under programs administered by the Farmers Home Administration in Alaska as he finds necessary because of loss resulting from the 1964 earthquake and subsequent seismic waves, and he may refinance outstanding indebtedness of applicants in Alaska for loans under section 502 of the Housing Act of 1949 for the repair, reconstruction, or replacement of dwellings or farm buildings lost, destroyed, or damaged by such causes and securing such outstanding indebtedness. Such loans may also provide for the purchase of building sites, when the original sites cannot be utilized.

"(b) The Secretary of Agriculture is authorized to compromise or release such portion of a borrower's indebtedness under programs administered by the Rural Electrification Administration in Alaska as he finds necessary because of loss, destruction, or damage of property resulting from the 1964 earthquake and subsequent seismic waves.

"SEC. 52. The Housing and Home Finance Administrator is authorized to compromise or release such portion of any note or other obligation held by him with respect to property in Alaska pursuant to title II of the Housing Amendments of 1955 or included within the revolving fund for liquidating programs established by the Independent Offices Appropriation Act of 1955, as he finds necessary because of loss, destruction, or damage to facilities securing such obligations by the 1964 earthquake and subsequent seismic waves.

"URBAN RENEWAL

"SEC. 53. The Housing and Home Finance Administrator is authorized to enter into contracts for grants not exceeding \$25,000,000 for urban renewal projects in Alaska, including open land projects, under section 111 of the Housing Act of 1949, which he determines will aid the communities in which they are located in reconstruction and redevelopment made necessary by the 1964 earthquake and subsequent seismic waves. Such authorization shall be in addition to and separate from any grant authorization contained in section 103(b) of said Act.

"The Administrator may increase the capital grant for a project assisted under this section to not more than 90 per centum of net project cost where he determines that a major portion of the project area has either been rendered unusable as a result of the 1964 earthquake and subsequent seismic waves or is needed in order adequately to provide, in accordance with the urban renewal plan for the project, new locations for persons, businesses, and facilities displaced by the earthquake."

"EXTENSION OF TERM OF HOME DISASTER LOANS

"SEC. 54. Loans made pursuant to paragraph (1) of section 7(b) of the Small Business Act (72 Stat. 387), as amended (15 U.S.C. 636(b)), for the purpose of replacing, reconstructing, or repairing dwellings in Alaska damaged or destroyed by the 1964 earthquake and subsequent seismic waves, may have a maturity of up to thirty years: *Provided*, That the provisions of section 7(c) of said Act shall not be applicable to such loans.

"MODIFICATION OF CIVIL WORKS PROJECTS

"SEC. 55. The Chief of Engineers, under the direction of the Secretary of the Army, is hereby authorized to make such modifications to previously authorized civil works projects in Alaska adversely affected by the 1964 earthquake and subsequent seismic waves as he finds necessary to meet changed conditions and to provide for current and reasonably prospective requirements of the communities they serve, at an estimated cost of \$10,000,000.

"PURCHASE OF ALASKA STATE BONDS

"SEC. 56. The Housing and Home Finance Administrator is authorized to purchase, in accordance with the provisions of sections 202(b), 203, and 204 of title II of the Housing Amendments of 1955, the securities and obligations of, or make loans to, the State of Alaska to finance any part of the programs needed to carry out the reconstruction activities in Alaska related to the 1964 earthquake and subsequent seismic waves or to complete capital improvements begun prior to the earthquake: *Provided*, That the aggregate amount of such purchase or loan shall not exceed \$25,000,000: *Provided further*, That the terms of repayment of such securities and obligations or loans shall be as follows: Repayment of the principal sum in fifty years from the date of the borrowing payable in equal annual payments beginning ten years after the money is lent at an annual interest rate not to exceed 3 per centum on the unpaid balance.

"PURCHASE OF HOME MORTGAGES

"SEC. 57. The Federal National Mortgage Association is authorized to repurchase at a

cost not to exceed par any home mortgage insured by the Federal Housing Administration which is secured by property in Alaska which was lost, destroyed, or severely damaged as a result of the 1964 earthquake or subsequent seismic waves. Any such purchase shall be made from funds available to the Association for carrying out its special assistance functions pursuant to section 305 of the National Housing Act; except that the aggregate amount of such purchases shall not exceed \$10,000,000."

APPROPRIATION AUTHORIZATION

SEC. 5. There is authorized to be appropriated such sums as may be necessary to carry out the provisions of this Act, which shall be available for obligation until June 30, 1967. There is also authorized to be appropriated such sums as may be necessary for the expenses of such advisory commissions or committees as the President may establish in connection with the reconstruction and development planning of the State of Alaska. The total amount authorized to be appropriated pursuant to this section shall not exceed \$50,150,000.

TERMINATION DATE

SEC. 6. The authority contained in this Act shall expire on June 30, 1967, except that such expiration shall not affect the payment of expenditures for any obligation or commitment entered into under this Act prior to June 30, 1967.

REPORTING

SEC. 7. The President shall report semi-annually during the term of this Act to the President of the Senate and the Speaker of the House on the actions taken under this Act by the various Federal agencies. The first such report shall be submitted not later than February 1, 1965, and shall cover the period ending December 31, 1964.

Mr. JACKSON. Mr. President, I withdraw the amendment to the House amendment which I proposed yesterday.

I now move that the Senate disagree to the amendment of the House to the bill, S. 2881, and request a conference with the House thereon, and that the Chair appoint the conferees on the part of the Senate.

Mr. HOLLAND. Mr. President, has this matter been cleared with the two Senators from Alaska? I do not see them in the Chamber.

Mr. JACKSON. I notified both Senators from Alaska that I intended to bring this question up.

Mr. HOLLAND. They have no objection?

Mr. JACKSON. I do not know about Senator GRUENING, but Senator BARTLETT has no objection. We have no alternative.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Washington.

The motion was agreed to; and the Presiding Officer appointed Mr. JACKSON, Mr. BIBLE, Mr. GRUENING, Mr. KUCHEL, and Mr. ALLOTT conferees on the part of the Senate.

AMENDMENT OF ALASKA OMNIBUS ACT—POINT OF PERSONAL PRIVILEGE

Mr. GRUENING subsequently said: Mr. President, I rise to a point of personal privilege. My comments will relate to the distinguished junior Senator from

Washington [Mr. JACKSON]. I called his office to notify him that I intended to speak on this subject, but I learned that he had left by airplane to go to his home State.

Earlier today, the distinguished senior Senator from Tennessee [Mr. GORE] yielded to the junior Senator from Washington at his request in order that the Senate might consider an amendment to the Alaska omnibus bill.

The Presiding Officer—the distinguished junior Senator from Maryland [Mr. BREWSTER] was in the chair—laid before the Senate the amendments of the House of Representatives to the Alaska omnibus bill, S. 2881. The following then took place:

Mr. JACKSON. Mr. President, I withdraw the amendment to the House amendment which I proposed yesterday.

I now move that the Senate disagree to the amendment of the House to the bill, S. 2881 and request a conference with the House thereon, and that the Chair appoint the conferees on the part of the Senate.

Mr. HOLLAND. Mr. President, has this matter been cleared with the two Senators from Alaska? I do not see them in the Chamber.

Mr. JACKSON. I notified both Senators from Alaska that I intended to bring this question up.

Mr. HOLLAND. They have no objection?

Mr. JACKSON. I do not know about Senator GRUENING, but Senator BARTLETT has no objection. We have no alternative.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Washington.

The motion was agreed to; and the Presiding Officer appointed Mr. JACKSON, Mr. BIBLE, Mr. GRUENING, Mr. KUCHEL, and Mr. ALLOTT conferees on the part of the Senate.

I merely wish to record that I was not notified. No call was received in my office from Senator JACKSON. I knew that the Senator from Washington would call this amendment up sometime, but he did not notify me of the time. If he had, I would have been in the Chamber and would have sought and obtained permission to discuss this question so vital to Alaska further. That was clearly implicit in the remarks I made yesterday, when we were granted 5 minutes out of the time for debate on the poverty bill to discuss the amendments to the Alaska omnibus bill. I had hoped we might have had more time yesterday, but we were allowed only 5 minutes.

I concluded, when we were shut off, by saying that I hoped we would have time to discuss the question when both my colleague from Alaska [Mr. BARTLETT] and I could be in the Chamber. My colleague indicated at the time that he was in the Chamber and joined with me in the request for additional time.

I feel that this is an important issue and that we should not have been denied the opportunity to discuss it and to request a Senate vote on it. Certainly Alaska was entitled to this opportunity. Had I been notified, I should have stood on my right to be heard before any decision to send the bill to conference was reached.

The RECORD should show that I was not notified by Senator JACKSON specifically that the measure would come up when it did. I was in my office after

some remarks I made earlier on the floor on another matter. I knew of course that the Alaska bill would come up, but I did not know at what time and was not apprised. Had I been, I would have been in the Chamber, prepared to argue for the acceptance of the House bill.

The Senators from Alaska have been denied that opportunity. The Senator from Washington decided to send the bill to conference. While I am a conferee, it is regrettable that I was precluded from first speaking in the Senate as I was clearly entitled to do, and that the Senator from Washington did not make certain that I was notified before he called up the measure, and ascertained what my views on his action on this Alaska bill were.

AMENDMENT OF RULE XXV RELATING TO JURISDICTION OF COMMITTEE ON RULES AND ADMINISTRATION

The Senate resumed the consideration of the resolution (S. Res. 338) amending rule XXV of the Standing Rules of the Senate relative to the jurisdiction of the Committee on Rules and Administration.

Mr. JORDAN of North Carolina. Mr. President—

The PRESIDING OFFICER (Mr. MCINTYRE in the chair). The Senator from North Carolina [Mr. JORDAN].

Mr. JORDAN of North Carolina. Mr. President, I do not intend to get into any long harangue about the merits or demerits of this investigation, or the things which have been said on the floor of the Senate, but I should like to ask the Senator from Nebraska [Mr. CURTIS] one question, if he would be willing to answer it.

Mr. CURTIS. I shall be happy to do so.

Mr. JORDAN of North Carolina. I understood the Senator from Nebraska [Mr. CURTIS] to have stated that a "yea" vote on the pending amendment would be a vote of disapproval of the actions of the committee.

Mr. CURTIS. A "yea" vote would put the Senate on record as desiring to have the Committee on Rules and Administration assume the responsibility, if it has jurisdiction. It is my contention that it did not have jurisdiction on the last occasion. Therefore, I feel that anyone who wants the Committee on Rules and Administration to assume responsibility for an investigation should vote for the Williams amendment.

Mr. JORDAN of North Carolina. Mr. President, I do not agree with the position of the Senator on that point. However, I do not intend to argue the question. I do not think it is material. The very fact that the committee will have jurisdiction to investigate is ample. I think responsibility goes with any committee. There is no committee without responsibility. I believe the committee has acted with proper responsibility in carrying out its assignment.

Mr. President, I wish to read part III of the report of the Committee on Rules and Administration pursuant to Senate

Resolution 212. The reason I shall not answer all the remarks that have been made is that the answers are contained in the report. The report speaks for itself. But I wish to read part III.

Part III reads as follows:

PART III: HOW THE WORK OF THE COMMITTEE WAS CARRIED ON

The committee met on October 23, 1963, to discuss the best method of carrying out the Senate directive. It was unanimously decided that this investigation should be carried out by the membership of the full committee. The committee held a number of executive sessions concerning personnel and procedures and among other things agreed: (1) to use all of the personnel on the full committee in the investigation; (2) to utilize, as needed, the majority and minority counsels on the staff of the Subcommittee on Privileges and Elections; (3) to engage a chief investigator with Federal Bureau of Investigation experience and to have at least one outside investigator recommended by the ranking minority member of the committee; (4) to authorize the chairman to engage outside counsel subject to confirmation by the committee; (5) to allow minority members to select associate counsel from minority staff or from outside; (6) to report Senate Resolution 221 authorizing \$50,000 through January 31, 1964; (7) to negotiate with the General Accounting Office for the loan of one or more accountants; (8) to authorize the chairman to hire such additional personnel deemed necessary; and (9) to adopt rules of procedure governing the investigation.

The committee in its deliberations decided that an eminently qualified outside counsel who had no ties or connections with the U.S. Senate or Senate employees should be employed as general counsel to direct the investigation, particularly since the lawyers on the committee staff were Senate employees and would be covered by the resolution itself. The chairman of the committee on November 14, 1963, after careful search for a man of unimpeachable character, high integrity, and recognized ability, persuaded Maj. Lennox Polk McLendon to agree to become general counsel. The committee immediately unanimously approved the selection of Major McLendon and put him in charge of the investigation. An able and experienced lawyer was selected by the minority as associate general counsel.

The committee made every effort to obtain the best qualified men available as investigators. On November 6, 1963, the committee approved the appointment of Mr. William Ellis Meehan, a retired Federal Bureau of Investigation agent with 22 years' experience as chief investigator; Mr. Lorin H. Drennan, Jr., Assistant Director, Civil Accounting and Auditing Division, General Accounting Office, with 13 years' experience; Mr. Edward T. Hugler, supervisory accountant with 20 years' experience with the General Accounting Office; both of whom were loaned to the committee on a reimbursable basis to assist with the investigation. A third competent accountant from the General Accounting Office was used for a short period of time. The chief investigator, under the direction of the general counsel, was instructed to hire investigators with the highest integrity and proven ability, preferably men with Federal Bureau of Investigation training and experience. Fortunately, the committee, in addition to those men listed above, was able to obtain the services of three such trained investigators who had served a total of 54 years with the Federal Bureau of Investigation, one of whom also had served 15 years with the Central Intelligence Agency, as well as one trained investigator assigned by the minority who had 6 years' experience with the Federal Bureau of Investigation and 6 years with the Central Intelligence Agency.

Thus, a competent investigative staff with more than 139 years' experience in investigative work was assembled; they were hired because of their reputations and experience in investigating. No inquires regarding political affiliation were ever made of any of the investigators. Under the direction of the chief investigator, they were free at all times to follow any leads that developed in the inquiry and to search diligently for evidence pertinent to the subject matter of Senate Resolution 212.

Investigative leads in this matter were obtained from multiple sources, including Senator John J. Williams, other Senators, officers and employees of the Senate, newspaper and magazine articles, interested citizens, and interrogation of knowledgeable persons. These leads were carefully scrutinized and all parties appearing to have pertinent information were painstakingly interviewed by members of the investigating staff, and the results of the interviews immediately thereafter were reduced to written reports, prepared in triplicate, one copy delivered to the general counsel, one copy to the associate counsel appointed by the minority, and the third retained in the files for use of the chief investigator and other members of the staff. These interviews were also available to all members of the committee and were used as a basis for interrogation of witnesses by the full committee and to assist staff personnel in developing additional information from later interviews of the same or additional persons. These written reports were also used in making decisions as to whether the person so interviewed would be called for examination by the committee.

A system of indexing and filing was instituted whereby any pertinent information developed and recorded was capable of being located instantly for future use.

During the more than 6 months of active investigation, more than 300 individuals have been interviewed at length, and approximately 50 more have been interviewed twice and some even three times. Written reports of these interviews, numbering more than 245, have been prepared and placed in the files and studied by the legal staff.

Incidentally, those files are available. They have been available to every committee member, and to every person who has been mentioned today as having been interviewed. The records of interviews with the various persons are in the files and available.

I continue to read:

Sixty-six witnesses have been examined and five of these in both executive and public sessions. Records of 32 banks and financial institutions have been carefully examined, analyzed, and evaluated. Information and assistance have been sought and obtained from a number of Government agencies. It is of some significance that of the total of 66 witnesses examined, all but 5 have appeared and testified voluntarily. In the course of the investigation extending to 31 countries, States, and cities, including Puerto Rico, the Dominican Republic, Haiti, Aruba, and Curacao, the committee has compiled a list of more than 800 individuals and organizations identified in interviews, or in public records, or in the public press as having some knowledge of the subject matter under investigation.

The committee has held 22 public sessions—4 of these consuming both morning and afternoon. A total of 53 witnesses have been examined in public sessions. It has met in executive session on 35 days and 8 of these meetings have been in both the morning and afternoon. More than 4,726 pages of testimony have been recorded in the public and executive sessions.

This enormous amount of work has been done by a relatively small staff consisting of the persons listed previously and five perma-

nent staff members of the Rules Committee, including an associate counsel assigned by the minority.

The committee followed the practice of hearing witnesses in executive session or in open hearings, or both. Of the total number of 66 witnesses examined, 5 were examined in both executive and open hearings; 48 examined in open hearings only and 13 were examined in executive session only and the transcripts of this testimony were thereafter made public. The committee can report that the testimony of every witness testifying before the committee has been made public. In each case of the examination of a witness in executive session, the same witness was examined in open hearing or, by unanimous consent or by a vote of the committee, the testimony in executive session was made public.

Mr. President, I do not see that the amendment of the Senator from Delaware [Mr. WILLIAMS] would add to the effectiveness of the resolution. It is uncalled for.

The very fact that the Committee on Rules and Administration has reported this resolution is evidence that the Committee on Rules and Administration is functioning. It is showing not only its jurisdiction, but also its responsibility.

Any committee that has jurisdiction over anything has certain responsibility. Every Senate committee carries out its responsibility. I do not care to debate the amendment. I would accept the amendment. I am willing to call off the yea and nay vote if the Senator so desires.

Mr. WILLIAMS of Delaware. Mr. President, I am glad the Senator from North Carolina will support the amendment. Let us stop debating what has happened in the past. Let us adopt the amendment. I ask for the yeas and nays.

Mr. DIRKSEN. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. DIRKSEN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

The question is on agreeing to the amendment of the Senator from Delaware [Mr. WILLIAMS].

The yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. HUMPHREY. I announce that the Senator from Oklahoma [Mr. EDMONDSON], the Senator from Michigan [Mr. HART], the Senator from Indiana [Mr. HARTKE], the Senator from Tennessee [Mr. WALTERS], and the Senator from Arkansas [Mr. FULBRIGHT], are absent on official business.

I also announce that the Senator from California [Mr. ENGLE], and the Senator from Massachusetts [Mr. KENNEDY], are absent because of illness.

I further announce that the Senator from New Mexico [Mr. ANDERSON], the Senator from Indiana [Mr. BAYH], the Senator from Mississippi [Mr. EASTLAND], the Senator from Utah [Mr. MOSS], and the Senator from Texas [Mr. YARBOROUGH], are necessarily absent.

Digest of CONGRESSIONAL PROCEEDINGS

OFFICE OF
BUDGET AND FINANCE

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OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

UNITED STATES DEPARTMENT OF AGRICULTURE

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HIGHLIGHTS: Senate passed meat-import restrictions bill. Sen. Bennett criticized USDA's "Consumer's Quick Credit Guide." House agreed to resolution for consideration of wilderness bill. House acted on Senate amendments to road authorization bill. House Rules Committee cleared poverty bill.

HOUSE

1. ALASKA. Conferees were appointed on S. 2881, the Alaska relief bill. Senate conferees had already been appointed. p. 16630
2. WILDERNESS. Agreed to resolution providing for consideration of H.R. 9070, to establish a Wilderness Preservation System. pp. 16648-9
3. RECREATION. Rep. Halleck inserted his testimony before the Subcommittee on Public Lands in opposition to S. 2249, to establish the Indiana Dunes National Lakeshore. pp. 16651-3

4. POVERTY. The Rules Committee granted an open rule, with 6 hours of debate, on H.R. 11377, the poverty bill. p. D600
Rep. Cleveland criticized the poverty program and inserted an editorial, "Poor Excuse." p. 16655
Rep. Fogarty inserted an article, "Poverty and Health: A Vicious Circle," which discusses the effects of poor health on work capacity. p. 16658
5. DISASTER RELIEF; FEED. Both Houses received from this Department a proposed bill to facilitate pricing of feed made available for use in emergency areas, to establish penalties for misuse of feed made available for relieving distress or for preservation and maintenance of foundation herds; to House Agriculture and Senate Agriculture and Forestry Committees. pp. 16507, 16662
6. RECLAMATION. The Interior and Insular Affairs Committee reported with amendment H.R. 1003, to make certain provisions in connection with the construction of the Garrison diversion unit, Missouri River Basin project (H. Rept. 1606). p. 16662
7. FORESTRY; PERSONNEL. The Judiciary Committee reported with amendment H.R. 3800, to authorize the waiver of collection of certain erroneous payments made by the Federal Government to certain civilian and military personnel (H. Rept. 1617); and H. R. 11546, without amendment, to validate certain payments made to employees of the Forest Service (H. Rept. 1620). p. 16662
8. LANDS; FORESTRY. The Agriculture Committee reported with amendment H.R. 4242, to provide for the release and transfer of all right, title, and interest of the U.S. in and to certain FHA tracts of land in Pender County, N.C. (H. Rept. 1621); H. R. 10069, without amendment, to authorize the exchange of lands adjacent to the Lassen National Forest in Calif. (H. Rept. 1623); and S. 2218, without amendment to authorize the Secretary of Interior to accept the transfer of certain national forest lands in Cocke County, Tenn. (H. Rept. 1624). p. 16662
9. INSPECTION SERVICES. The Agriculture Committee reported without amendment H.R. 9180, to enable the Secretary of Agriculture to furnish, upon a reimbursable basis, certain inspection services involving overtime work (H. Rept. 1622). p. 16662
10. MINERALS. The Interior and Insular Affairs Committee voted to report with amendment (but did not actually report) H. R. 8960, to promote the development of coal on the public domain. p. D599
11. ROADS. Agreed to certain Senate amendments with amendments to H. R. 10503, to authorize 1966-1967 appropriations for roads, including forest development roads and trails. Agreed to an amendment to authorize the use of forest development road funds on the national grasslands which are administered by the Forest Service in order to develop the national grassland areas for recreational purposes. p. 16631
12. TREASURY-POST OFFICE AND EXECUTIVE OFFICE APPROPRIATION BILL, 1965. Both Houses agreed to the conference report on this bill, H. R. 10532. The bill will now be sent to the President. pp. 16631-9, 16614-16

citizen who, because of love of his beloved wife, and affection for children, makes available the swimming pool in his home to children who are ill, children who need physical rehabilitation, children who need care and attention.

This is the way a civic-minded person, a good person, can aid and assist public institutions in the care of the sick and in the healing of the sick.

I was about to write Mr. Hoffmann a letter about this matter, but I decided I would say something about it in the Senate, only because it represents an act of kindness and goodness.

I have heard many speeches about riots, tribulations, tension, looting, the need for and the use of police, and expressions of violence that I thought it might be rather good on occasion just to put into the RECORD one example, of which there are millions, to be sure, of acts of kindness and of goodness.

There are more good things happening in the world than there are bad things. There are more people who seek to live in peace than those who seek to live in turmoil, tension, and disorder.

I believe that we can appeal to the goodness of people, and that people will do better things as a result.

So I salute this fellow citizen. It is a little thing in terms of the great, mass movements that take place in the world, great projects that governments and institutions authorize and develop; but it is a significant contribution by an individual. These individual acts need to be heralded and praised as much as great projects of governments and corporations and other institutions.

When we lose our respect for the acts of goodness and the acts of courage and the acts of kindness on the part of individuals, we shall have lost the real spirit of this country.

The picture in the paper and the little story relating to the picture is one of a man who loved his wife so much that he now gives his time and resources to the love of children, the children of a hospital, without regard to color. This act deserves some special attention. That is why I took the time of the Senate to note it in the RECORD.

TRANSACTION OF ADDITIONAL ROUTINE BUSINESS

By unanimous consent, the following additional routine business was transacted:

ADDITIONAL REPORTS OF COMMITTEES

The following additional reports of committees were submitted:

By Mr. BYRD of West Virginia, from the Committee on Appropriations, with amendments:

H.R. 10199. An act making appropriations for the government of the District of Columbia and other activities chargeable in whole or in part against the revenues of said District for the fiscal year ending June 30, 1965, and for other purposes (Rept. No. 1247).

By Mr. FULBRIGHT, from the Committee on Foreign Relations, without amendment:

S. 2905. A bill to provide for the appointment of a Commissioner General for United States participation in the Canadian Universal and International Exhibition, and for other purposes (Rept. No. 1248);

H.R. 7419. An act to authorize the conclusion of agreements with Mexico for joint construction, operation, and maintenance of emergency flood control works on the lower Colorado River, in accordance with the provisions of article 13 of the 1944 Water Treaty with Mexico, and for other purposes (Rept. No. 1249); and

H.R. 11754. An act to amend the Foreign Service Buildings Act, 1926, to authorize additional appropriations, and for other purposes (Rept. No. 1250).

ADDITIONAL BILL INTRODUCED

Mr. JACKSON (for himself and Mr. ANDERSON) (by request), introduced a bill (S. 3039) to amend the Water Resources Research Act of 1964 in order to eliminate a provision making certain assistance under such act conditional upon approval thereof by committees of the Congress; which was read twice by its title, and referred to the Committee on Interior and Insular Affairs.

ESTABLISHMENT OF COMMISSION ON ETHICS IN FEDERAL GOVERNMENT—AMENDMENT (AMENDMENT NO. 1152)

Mr. CLARK. Mr. President, I send to the desk and ask to have printed and to lie on the table for 1 week, for additional cosponsors, an amendment which I intend to propose to Senate Joint Resolution 187, the Dirksen joint resolution, approved by the Senate yesterday in connection with the creation of a Joint Commission on Ethics for the House and ourselves.

The proposed amendment would add title II to the Dirksen joint resolution, to create a General Committee on the Organization of Congress—in other words, a new LaFollette-Monroney Commission.

The amendment is presently cosponsored by Senators BARTLETT, GRUENING, DOUGLAS, CASE, WILLIAMS of New Jersey, MORSE, YOUNG of Ohio, CHURCH, PROXMIRE, MUSKIE, KEATING, McCLELLAN, NEUBERGER, NELSON, MOSS, BAYH, METCALF, HUMPHREY, and SCOTT.

I ask unanimous consent that the amendment may lie on the desk for 5 days, for additional cosponsors to have an opportunity to join.

The PRESIDING OFFICER. The amendment will be received, printed, and lie on the table; and, without objection, the amendment will be held at the desk, as requested by the Senator from Pennsylvania.

AMENDMENT OF BANKRUPTCY ACT—REFERENCE OF BILLS TO COMMITTEE ON FINANCE

Mr. HRUSKA. Mr. President, two bills to amend the Bankruptcy Act have

been on the Senate Calendar for some time now. These bills are H.R. 394 and H.R. 3438.

It is my understanding that an opinion of the Finance Committee has been requested before final action is taken on these bills. It is most important that action be taken on these bills as soon as possible. I, therefore, move that these two bills be referred to the Finance Committee for an advisory opinion in the hope that they will be reported back to the Senate within 15 days from this date.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

NOTICE OF HEARINGS ON S. 823, TO PROVIDE FOR THE APPELLATE REVIEW OF SENTENCES IMPOSED IN CRIMINAL CASES ARISING IN THE DISTRICT COURTS OF THE UNITED STATES

Mr. JOHNSTON. Mr. President, as chairman of the Subcommittee on Improvements in Judicial Machinery of the Committee on the Judiciary, I wish to announce that hearings will be held by the subcommittee on S. 823.

S. 823 provides that persons convicted of criminal offenses and sentenced to imprisonment for a term of 5 years or more, may appeal to the U.S. court of appeals upon the ground that the sentence is excessive. The appellate court may reduce the sentence imposed by the district court to any lawful sentence which it deems appropriate if the sentence imposed was more severe than warranted by the circumstances of the case.

The hearings are scheduled for August 6 and 7, 1964, at 10 a.m. in Room 6200, New Senate Office Building. Any person who wishes to testify or submit statements pertaining to the bill should communicate with the Subcommittee on Improvements in Judicial Machinery.

ADJOURNMENT

Mr. HUMPHREY. Mr. President, if there is no further business to come before the Senate, I move that the Senate stand in adjournment until 12 o'clock noon tomorrow.

The motion was agreed to, and (at 7 o'clock and 38 minutes p.m.) the Senate adjourned until tomorrow, Wednesday, July 29, 1964, at 12 o'clock meridian.

NOMINATIONS

Executive nominations received by the Senate July 28, 1964:

Harry C. McPherson, Jr., of the District of Columbia, to be an Assistant Secretary of State, vice Lucius D. Battle.

House of Representatives

TUESDAY, JULY 28, 1964

The House met at 12 o'clock noon.

The Chaplain, Rev. Bernard Braskamp, D.D., offered the following prayer:

I Corinthians 3: 9, *For we are labourers together with God.*

Most merciful and gracious God, who art the source and inspiration of every noble desire, may we now be drawn into that unity of spirit which makes the doing of Thy will the supreme goal of all our aspirations.

We humbly confess that our aims and ambitions are frequently so low vaulted and we are primarily concerned with that which is temporal and transient.

Help us to recognize the sanctity and sacredness of our high vocation as partners with Thee and with one another in promoting and preserving the welfare and happiness of all mankind.

May our President, our Speaker, and our chosen Representatives be richly blessed with the skill and art of statesmanship and diplomacy and be endowed with that faith which never wavers and that courage which never falters.

Hear us in the name of our blessed Lord. Amen.

THE JOURNAL

The Journal of the proceedings of yesterday was read and approved.

TO AMEND THE ALASKA OMNIBUS ACT

Mr. ASPINALL. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (S. 2881), an act to amend the Alaska Omnibus Act to provide assistance to the State of Alaska for the reconstruction of areas damaged by the earthquake of March 1964 and subsequent seismic waves, and for other purposes, with a House amendment thereto, insist upon the House amendment and agree to the conference asked by the Senate.

The SPEAKER. Is there objection to the request of the gentleman from Colorado? The Chair hears none, and appoints the following conferees: Messrs. O'BRIEN of New York, RIVERS of Alaska, ROYBAL, KYL, and ABELE.

PERMISSION TO SUBCOMMITTEE ON HOUSING OF THE COMMITTEE ON BANKING AND CURRENCY TO SIT DURING GENERAL DEBATE TODAY

Mr. ALBERT. Mr. Speaker, on behalf of the gentleman from Alabama [Mr. RAINS], I ask unanimous consent that the Subcommittee on Housing of the Committee on Banking and Currency may sit while the House is in session during general debate today and tomorrow.

The SPEAKER. Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

PERMISSION TO SUBCOMMITTEE NO. 2 OF THE COMMITTEE ON SMALL BUSINESS TO SIT DURING GENERAL DEBATE TODAY

Mr. ALBERT. Mr. Speaker, on behalf of the gentleman from New York [Mr. MULTER], I ask unanimous consent that Subcommittee No. 2 of the Committee on Small Business may sit while the House is in session today during general debate.

The SPEAKER. Is there objection to the request of the gentleman from Oklahoma?

Mr. HALLECK. Mr. Speaker, reserving the right to object, may I inquire of the distinguished majority leader further as to this request?

Mr. ALBERT. If the gentleman will yield, that Subcommittee No. 2 of the Committee on Small Business may sit during general debate today.

Mr. HALLECK. Mr. Speaker, I withdraw my reservation.

The SPEAKER. Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

TRIBUTE TO THE LATE SIM CARMAN, ATTORNEY AND PUBLIC SERVANT

(Mr. EDMONDSON asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. EDMONDSON. Mr. Speaker, an outstanding attorney, an indefatigable public servant, and a personable and warmhearted human being passed away on July 19.

The death of Sim T. Carman was indeed a heavy personal loss to all who knew him, and without doubt, his passing left a considerable loss to the Federal Government.

As a former county attorney in Oklahoma myself, I appreciated the fine work Mr. Carman did as county attorney in Osage County, Okla., from 1935 to 1948. Both in the private practice of law in Pawhuska and as county attorney there, Sim Carman was greatly respected by the members of the legal profession and admired by the community at large.

In 1948, Mr. Carman came to Washington as an attorney with the Department of Justice. Here again he displayed his great qualities of integrity and thoroughness in public service.

He was assigned to the Indian Claims Section of the Lands Division at the Justice Department and his job was to de-

fend the Government in cases filed by Indian tribes against the United States. He soon acquired a reputation as a fair, but vigorous defender of the interests of the U.S. Government, in a Department which bears a heavy responsibility at all times.

The excellence of his work was recognized by several promotions in the Department and in 1959 Attorney General William Rogers personally presented him with an award for sustained superior performance.

My deepest sympathy is extended to his wife, Mrs. Jewel Carman, and to his daughter, Nancy. They can be comforted in this time of grief in the knowledge that Sim Carman lived a good life and contributed much to his fellow man and these are the things which will live on as a testimonial to him.

CORRECTION OF ROLL CALL

Mr. MINSHALL. Mr. Speaker, on rollcall 187 I am recorded as being absent. I was present and answered in the affirmative when my name was called, and I ask unanimous consent that the permanent RECORD be corrected accordingly.

The SPEAKER. Is there objection to the request of the gentleman from Ohio? There was no objection.

CALL OF THE HOUSE

Mr. GROSS. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

Mr. ALBERT. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 189]

Alger	Gill	Norblad
Avery	Green, Oreg.	Osmers
Baker	Halpern	Passman
Baring	Harris	Plicher
Bass	Harvey, Mich.	Powell
Bennett, Mich.	Nealey	Rains
Bolton	Hebert	Rogers, Colo.
Oliver P.	Hoffman	St Germain
Bow	Hull	Sheppard
Buckley	Jones, Mo.	Steed
Clausen,	Karth	Teague, Tex.
Don H.	Kee	Thompson, La.
Curtis	Kilburn	Thompson, N.J.
Davis, Tenn.	Landrum	Toil
Dawson	Lankford	Van Deerlin
Diggs	Lesinski	Van Pelt
Dingell	Lloyd	Wallhauser
Duncan	Martin, Mass.	Williams
Evins	Mathias	Wills
Flynt	Morrison	Wilson, Bob
Fulton, Tenn.	Morse	Wilson
Glaime	Nedzi	Charles H.

The SPEAKER. On this rollcall 370 Members have answered to their names, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

Digest of CONGRESSIONAL PROCEEDINGS

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

UNITED STATES DEPARTMENT OF AGRICULTURE

Washington, D.C. 20250

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88th-2nd; No. 150

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HIGHLIGHTS: Both Houses agreed to conference report on pay bill. Rep. Martin objected to sending meat-import bill to conference.

HOUSE

1. PAY. Both Houses agreed to the conference report on H. R. 11049, the Federal pay bill. This bill will now be sent to the President. pp. 17316-20, 17437-42
2. DEFENSE APPROPRIATION BILL, 1965. Both Houses agreed to the conference report on this bill, H. R. 10939. This bill will now be sent to the President. pp. 17308-16, 17445-7
3. MEAT IMPORTS. Rep. Martin, Neb., objected to Rep. Mill's request to send to conference H. R. 1839, to impose quotas on the importation of meat and meat

products. p. 17316

Rep. Short inserted an editorial, "Meat Quotas by Stealth?", and called it "a most unfair and erroneous commentary on the sincere efforts of the livestock industry to obtain some relief from rapidly increasing meat imports." p. 17333

Rep. Battin discussed "the apparent indifference of the Johnson administration toward the continuing threat posed by foreign beef imports to our economy." p. 17360

4. AREA REDEVELOPMENT. Rep. Talcott criticized ARA's operation and management and inserted a synopsis of six ARA projects in various areas. pp. 17359-60

Rep. Widnall criticized S. 1163, the ARA bill, and urged the Rules Committee to refuse a rule on this bill. p. 17359

5. POVERTY. Rep. Cleveland inserted an editorial criticizing the poverty bill, stating that "there is too little time to give this bill the close study it deserves." p. 17360-61

Rep. Multer spoke on the political aspects of the poverty program. p. 17362

6. ALASKA. The Judiciary Committee voted to report (but did not actually report) with amendment S. 49, to provide for the establishment of the Alaska Centennial Commission. p. D636-7

The "Daily Digest" states that conferees agreed to file a conference report on S. 2881, the Alaska relief bill. p. D637

7. FISH AND WILDLIFE. The Merchant Marine and Fisheries Committee voted to report (but did not actually report) S. 1363, to increase the participation by counties in revenues from the National Wildlife Refuge System; and H. R. 2392, with amendment, to authorize the Secretary of the Interior to initiate a program for the conservation, development, and enhancement of the Nation's anadromous fish in cooperation with the States. p. D637

SENATE

8. RECREATION. The Interior and Insular Affairs Committee reported with amendment S. 1365, to establish the Fire Island National Seashore (S. Rept. 1300), and S. 2048, to provide for establishment of the Big Horn Canyon National Recreation Area (S. Rept. 1301). p. 17373

9. RIVER BASIN. The Interior and Insular Affairs Committee reported without amendment H. R. 952, to increase the authorization for continuing Interior Department work in the Missouri River Basin (S. Rept. 1302). p. 17373

10. LAND-GRANT COLLEGES; FOREIGN AID. Sen. Long, Mo., praised the contribution of the land-grant colleges and inserted an article by Elmer Ellis, "The Land-Grant College International Rural Development." pp. 17388-90

11. MEAT IMPORTS; LIVESTOCK PRICES. Sen. Lausche inserted a Farm Bureau statement blaming the Agriculture and State Departments for reduced livestock and meat prices, especially favoring restrictions on meat imports. p. 17390

12. WILDERNESS. Senate conferees were appointed on S. 4, the wilderness bill. House conferees have not yet been appointed. pp. 17430-2

13. WATERSHEDS; BUILDINGS. Sen. McNamara inserted a list of projects approved by the Public Works Committee pursuant to the Watershed Protection and Flood Prevention Act and the Public Buildings Act of 1959. pp. 17442-5

S. 927, to amend title 12 of the Merchant Marine Act, 1936, in order to remove certain limitations with respect to war risk insurance issued under the provisions of such title.

COMMITTEE BUSINESS

Committee on Merchant Marine and Fisheries: Met in executive session and ordered reported favorably to the House the following bills:

S. 927, to amend title 12 of the Merchant Marine Act, 1936, in order to remove certain limitations with respect to war risk insurance issued under the provisions of such title;

S. 2995, to amend section 511(h) of the Merchant Marine Act, 1936, as amended, in order to extend the time for commitment of construction reserve funds;

S. 2701 (amended), to provide for an investigation and study to determine a site for the construction of a sea level canal connecting the Atlantic and Pacific Oceans;

S. 1363, to increase the participation by counties in revenues from the National Wildlife Refuge System by amending the act of June 15, 1935, relating to such participation; and

H.R. 2392 (amended), to authorize the Secretary of the Interior to initiate a program for the conservation, development, and enhancement of the Nation's anadromous fish in cooperation with the States.

MANPOWER UTILIZATION

Committee on Post Office and Civil Service: Subcommittee on Manpower Utilization continued a hearing on the use of manpower in the Federal Government. Testimony was given by representatives of various employee organizations.

RESEARCH INVESTIGATION

Committee on Rules: Ordered reported favorably to the House H. Res. 810, to amend H. Res. 504 to change the date for reporting from December 1, 1964, to January 3, 1965.

AREA REDEVELOPMENT

Committee on Rules: Hearing was completed on a request for a rule on S. 1163, the Area Redevelopment Act. No final action was taken.

TARIFF RECLASSIFICATION

Committee on Ways and Means: Met in executive session on Tariff Reclassification. The committee will continue in executive session Wednesday, August 5.

Joint Committee Meetings

ALASKA RECONSTRUCTION

Conferees, in executive session, agreed to file a conference report on the differences between the Senate- and House-passed versions of S. 2881, providing assistance

to Alaska for reconstruction of damage from the recent earthquake.

WILDLIFE REFUGES—KLAMATH BASIN

Conferees met in executive session to resolve the differences between the Senate- and House-passed versions of S. 793, providing a permanent basis for the management of the four wildlife refuges in the Klamath Basin of California and Oregon, but did not reach final agreement, and recessed subject to call.

BILL SIGNED BY THE PRESIDENT

New Law

(For last listing of public laws, see DIGEST, p. D627, August 3, 1964)

H.R. 4177, authorizing conveyance of part of the St. Paul Quartermaster Depot to the city of St. Paul, Minn. Signed August 3, 1964 (P.L. 88-398).

COMMITTEE MEETINGS FOR WEDNESDAY, AUGUST 5

(All meetings are open unless otherwise designated)

Senate

Committee on Appropriations, executive, to consider H.R. 11579, public works appropriations bill, 10 a.m., room S-128, Capitol.

Committee on Armed Services, Special Subcommittee on S. 2021, to protect annuity rights of retired servicemen's survivors, 10:30 a.m., 212 Old Senate Office Building.

Committee on the District of Columbia, full committee, on the nominations of Gerry Levenberg and Robert C. Wood, to be members of the Advisory Board of the National Capital Transportation Agency, to be followed by Fiscal Affairs Subcommittee hearings on pending bills (S.J. Res. 110, naming D.C. bridge, and H.R. 8451 and 9975, taxation measures), to be followed by Business and Commerce Subcommittee hearings on H.R. 11222, D.C. Horizontal Property Act, 10 a.m., 6226 New Senate Office Building.

Committee on Finance, executive, on tax features of H.R. 394 and 3438, bankruptcy bills, and to reconsider revolving credit amendment adopted to H.R. 98 (on Senate Calendar), 10 a.m., 2221 New Senate Office Building.

Committee on Foreign Relations, open followed by executive session, on committee business, 10 a.m., room S-116, Capitol.

Committee on Government Operations, Permanent Subcommittee on Investigations, on illicit international narcotics traffic, 10:30 a.m., 3302 New Senate Office Building.

Committee on Interior and Insular Affairs, Subcommittee on Indian Affairs, on S.J. Res. 170 and S.J. Res. 171, relating to Indian fishing rights, 10 a.m., 3110 New Senate Office Building.

Full committee, executive, on H.R. 3846, Land and Water Conservation Fund Act, 2 p.m., 3112 New Senate Office Building.

Committee on the Judiciary, Antitrust and Monopoly Subcommittee, on doctor-owned pharmacies, 10 a.m., 2228 New Senate Office Building.

Subcommittees on Constitutional Rights and Improvements in Judicial Machinery, to continue joint hearings on S. 2838-2840, bail bond bills, 10:30 a.m., 1318 New Senate Office Building.

Committee on Labor and Public Welfare, Subcommittee on Employment and Manpower, on S. 2958, to conserve human and natural resources of the Nation, 9:30 a.m., 4232 New Senate Office Building.

Committee on Post Office and Civil Service, Subcommittee on Health Benefits and Life Insurance, on S. 1974, Federal employees' group life insurance beneficiaries, and H.R. 5932, participation of certain D.C. teachers in Federal health and life insurance plans, 10 a.m., 6200 New Senate Office Building.

Committee on Public Works, Subcommittee on Roads, executive, on S. 2968, re disaster road program, 9:30 a.m., 4110 New Senate Office Building.

House

Committee on Agriculture, executive, on S. 1915, the Proxmire dairy bill; H.R. 5406, regarding conservation; to provide technical help on community projects; H.R. 9178, re elections and functions of ASC committeemen; S. 277, to expand Federal crop insurance coverage; H.R. 8290, to exchange lands within Everglades National Park, Dade County, Fla., and H.R. 2607, re wheat seed screenings, 10 a.m., 1310 Longworth House Office Building.

Committee on Armed Services, Subcommittee on Research and Development, executive, to continue on night vision programs, 10 a.m., 304 Cannon House Office Building.

Subcommittee No. 2, on H.R. 11594, to authorize the Secretary of the Navy to convey to the State of California certain lands in the county of Monterey, in California, in exchange for other lands; H.R. 11913, re antimony proposed to be disposed of pursuant to the Strategic and Critical Materials Stock-Piling Act; and H.R. 11338, to remove certain conditions subject to which certain real property in South Boston, Mass., was conveyed to the Massachusetts Port Authority, 10 a.m., 313-A Cannon House Office Building.

Committee on Banking and Currency, executive, on H.R. 12175, the housing bill, 10 a.m., 1301 Longworth House Office Building.

Committee on District of Columbia, Subcommittee No. 6, on pending bills to increase pay for D.C. police and firemen, 10 a.m., 445-A Cannon House Office Building.

Committee on Education and Labor, General Subcommittee on Labor, to continue a hearing on H.R. 7075, to amend the Davis-Bacon Act, 10 a.m., 429 Cannon House Office Building.

Select Subcommittee on Labor, to continue a hearing on the training of employment counselors, 10 a.m., 214-B Longworth House Office Building.

Committee on Foreign Affairs, Subcommittee on Europe, executive, on a briefing by John M. Cabot, U.S. Ambassador to Poland, 10 a.m., H-227 U.S. Capitol Building.

Subcommittee on Inter-American Affairs, executive, to mark up H.R. 10327, the Cuban claims bill, 10 a.m., H-322 U.S. Capitol Building.

Committee on Interior and Insular Affairs, on H.R. 9683, to amend section 27 of the Mineral Leasing Act of February 25, 1920, as amended, in order to promote the development of phosphate on the public domain; H.R. 2337, to provide for the construction of the Lower Teton division of the Teton division of the Teton Basin Federal reclamation project, Idaho; H.R.

5118, to authorize the Secretary of the Interior to construct, operate, and maintain the Whitestone Coulee unit of the Okanogan-Similkameen division, Chief Joseph Dam project, Washington; H.R. 1712, to amend the act authorizing the Crooked River Federal reclamation project to provide for the irrigation of additional lands, and H.R. 3279, to authorize the Secretary of the Interior to construct, operate, and maintain the Dixie project, Utah, 9:45 a.m., 1324 Longworth House Office Building.

Committee on Interstate and Foreign Commerce, Subcommittee on Transportation and Aeronautics, to continue a hearing on S. 1719 and H.R. 10743, re State withholding taxes on employees in interstate commerce, 10 a.m., 1334 Longworth House Office Building.

Committee on the Judiciary, Subcommittee No. 5, to continue a hearing on State reapportionment, 10 a.m., 346 Cannon House Office Building.

Subcommittee No. 1, to hear public immigration legislation, 10 a.m., 327 Cannon House Office Building.

Subcommittee No. 2, on private claims bills, 10 a.m., 327-B Cannon House Office Building.

Committee on Merchant Marine and Fisheries, Subcommittee on Merchant Marine, to continue a hearing on a review of the Federal Maritime Commission and its administration of the Shipping Act of 1916, 10 a.m., 215 Cannon House Office Building.

Committee on Public Works, executive, on H.R. 3166, H.R. 4571, S. 649, H.R. 6844, and related bills, to amend the Federal Water Pollution Control Act, 10 a.m., 1302 Longworth House Office Building.

Special Subcommittee of the Committee on Public Works, to receive a detailed report on the flood damage sustained in Montana as a result of recent floods, 2:30 p.m., 1302 Longworth House Office Building.

Committee on Post Office and Civil Service, Subcommittee on Manpower Utilization, to continue a hearing on the use of manpower in the Federal Government, 10 a.m., 215 Cannon House Office Building.

Committee on Rules, to consider granting rules on the following bills:

H.R. 4731, to amend the Food and Drug Act regarding flavoring extracts;

S. 1007, regarding electric consumers' guarantee;

S. 1627, regarding International Commission for Supervision and Control in Laos;

H. Res. 812, to take H.R. 1839 from the Speaker's table and agree to the Senate amendments; and

H.R. 5673, regarding steel container labels, 10:30 a.m., H-313 U.S. Capitol Building.

Committee on Veterans Affairs, executive, on pending legislation, 10 a.m., 356 Cannon House Office Building.

Committee on Ways and Means, executive, to continue consideration of Tariff Reclassification, 10 a.m., committee room, Longworth House Office Building.

Joint Committee

Joint Committee on Atomic Energy, executive, to consider bill to allow private ownership of special nuclear materials, 10 a.m., room AE-1, Capitol.



Congressional Record

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HIGHLIGHTS: House continued debate on poverty bill. House Rules Committee cleared Area Redevelopment Act amendments. Sen. Metcalf criticized "propaganda" of private electric-power companies. Senate committee reported Central Arizona reclamation project bill. Rep. Hutchinson criticized wheat certificate program. Reps. Derwinski and Lipscomb inserted articles critical of poverty bill. Rep. Nelsen inserted article critical of Secretary Freeman's encouragement of more livestock production in Appalachia. Rep. Poage introduced Public Law 480 bill.

HOUSE

1. **POVERTY.** Continued debate on H. R. 11377, the poverty bill. General debate was concluded and the House began reading the text for amendment. pp. 17672-739, 17745-6, 17749
2. **AREA REDEVELOPMENT.** The Rules Committee cleared a resolution for consideration of S. 1163, to amend certain provisions of the Area Redevelopment Act. p. D651
3. **ADMINISTRATIVE LAW.** The Rules Committee cleared a resolution for consideration of S. 1664, to provide for continuous improvement of the administrative procedure of Federal agencies by creating an Administrative Conference of the United States. pp. D651
4. **ALASKA.** Received the conference report on S. 2881, the Alaska relief bill (H. Rept. -4710). pp. 17747-8

5. LEGISLATIVE APPROPRIATION BILL, 1965. Received the conference report on this bill, H. R. 10723 (H. Rept. 1711). pp. 17749-50

6. WATERSHEDS; FLOOD PREVENTION. The Agriculture Committee, in a letter to the Speaker, approved the works plans for the following watershed projects: Mill Creek, Ga.; Turtle River, Ga.; Marshyhope Creek, Del. and Md.; Wellington-Napoleon, Mo.; and 102 river tributaries, Mo. p. 17670

SENATE

7. RECLAMATION. The Interior and Insular Affairs Committee reported with amendment S. 1658, to authorize the Central Arizona reclamation project (S. Rept. 1330). p. 17853

Sen. Allott inserted a statement by Gov. Johnson, Colo., which "sets out the situation in which the Upper Basin States find themselves" in view of the Central Arizona project bill. pp. 17811-2

8. EXPENDITURES; PERSONNEL. Sen. Byrd inserted the June report, "Personnel and Pay Summary," by the Joint Committee on Reduction of Nonessential Federal Expenditures. pp. 17756-60

9. FOREIGN TRADE. Sen. Dirksen was added as a co-sponsor of S. Con. Res. 91, expressing it as the sense of Congress that the U. S. "should, on agricultural commodities as well as other commodities, bargain and negotiate in good faith as it is pledged to do under the Reciprocal Trade Act." p. 17763

10. ELECTRIFICATION. Sen. Metcalf criticized "propaganda" by the private electric-power companies regarding their rates, etc. pp. 17777-9

11. RECREATION. Passed as reported S. 1365, to establish the Fire Island National Seashore, N. Y. pp. 17783-4

12. NOMINATION of Otto Eckstein to the Council of Economic Advisers was received. p. 17853

ITEMS IN APPENDIX

13. WHEAT. Extension of remarks of Rep. Hutchison claiming that "the disastrous effects of the administration's wheat certificate program are now painfully apparent in the marketplace" and inserting an editorial claiming an income loss to Michigan farmers as a result of the certificate program. p. A4150

14. POVERTY. Rep. Derwinski inserted an article, "Antipoverty Legislation, a Blueprint for Confusion," calling for more clearly defined lines of responsibility in the poverty bill. pp. A4155-6

Rep. Lipscomb inserted an editorial urging "a more effective attack on poverty" redrafted "in a calmer, post-election atmosphere." pp. A4156-7

15. FARM LABOR. Rep. Talcott inserted an editorial indicating possible harm to the trucking industry from elimination of the bracero program, and calling for more mechanization to replace the braceros. pp. A4162-3

16. APPALACHIA; LIVESTOCK PRICES. Rep. Nelsen inserted an editorial claiming the Secretary was inconsistent in first blaming domestic overproduction for the

AMENDING THE ALASKA OMNIBUS ACT

AUGUST 6, 1964.—Ordered to be printed

Mr. O'BRIEN of New York, from the committee of conference, submitted the following

CONFERENCE REPORT

[To accompany S. 2881]

The committee of conference on the disagreeing votes of the two Houses on the amendments of the House to the bill (S. 2881) to amend the Alaska Omnibus Act to provide assistance to the State of Alaska for the reconstruction of areas damaged by the earthquake of March 1964 and subsequent seismic waves, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its disagreement to the amendment of the House, and agree to the same with an amendment as follows:

In lieu of the matter inserted by the House amendment insert the following: *That this Act may be cited as the "1964 Amendments to the Alaska Omnibus Act."*

SEC. 2. The Congress hereby recognizes that the State of Alaska has experienced extensive property loss and damage as a result of the earthquake of March 27, 1964, and subsequent seismic waves, and declares the need for special measures designed to aid and accelerate the State's efforts in providing for the reconstruction of the areas in the State devastated by this natural disaster.

SEC. 3. Section 21 of the Alaska Omnibus Act (73 Stat. 145) is amended by adding a new subsection (f) to read as follows:

"(f) Notwithstanding the limitation contained in subsection (f) of section 120 of title 23, United States Code, the Secretary of Commerce is authorized to make expenditures from the emergency fund under section 125 of such title for the repair or reconstruction of highways on the Federal-aid highway systems of Alaska which have been damaged or destroyed by the 1964 earthquake and subsequent seismic waves, in accordance with the Federal share payable under subsection (a) of section 120 of such title. The increase in expenditures resulting from

the difference between the Federal share authorized by this subsection and that authorized by subsection (f) of section 120 of such title shall be reimbursed to the emergency fund by an appropriation from the general fund of the Treasury: Provided, That such increase in expenditures shall not exceed \$15,000,000 in the aggregate."

SEC. 4. The Alaska Omnibus Act (73 Stat. 141) is amended by adding the following new sections at the end of section 50 thereof:

"NEW FEDERAL LOAN ADJUSTMENTS

"SEC. 51. (a) The Secretary of Agriculture is authorized to compromise or release such portion of a borrower's indebtedness under programs administered by the Farmers Home Administration in Alaska as he finds necessary because of loss resulting from the 1964 earthquake and subsequent seismic waves, and he may refinance outstanding indebtedness of applicants in Alaska for loans under section 502 of the Housing Act of 1949 for the repair, reconstruction, or replacement of dwellings or farm buildings lost, destroyed, or damaged by such causes and securing such outstanding indebtedness. Such loans may also provide for the purchase of building sites, when the original sites cannot be utilized.

"(b) The Secretary of Agriculture is authorized to compromise or release such portion of a borrower's indebtedness under programs administered by the Rural Electrification Administration in Alaska as he finds necessary because of loss, destruction, or damage of property resulting from the 1964 earthquake and subsequent seismic waves.

"SEC. 52. The Housing and Home Finance Administrator is authorized to compromise or release such portion of any note or other obligation held by him with respect to property in Alaska pursuant to title II of the Housing Amendments of 1955 or included within the revolving fund for liquidating programs established by the Independent Offices Appropriation Act of 1955, as he finds necessary because of loss, destruction, or damage to facilities securing such obligations by the 1964 earthquake and subsequent seismic waves.

"URBAN RENEWAL

"SEC. 53. The Housing and Home Finance Administrator is authorized to enter into contracts for grants not exceeding \$25,000,000 for urban renewal projects in Alaska, including open land projects, under section 111 of the Housing Act of 1949, which he determines will aid the communities in which they are located in reconstruction and redevelopment made necessary by the 1964 earthquake and subsequent seismic waves. Such authorization shall be in addition to and separate from any grant authorization contained in section 103(b) of said Act.

"The Administrator may increase the capital grant for a project assisted under this section to not more than 90 per centum of net project cost where he determines that a major portion of the project area has either been rendered unusable as a result of the 1964 earthquake and subsequent seismic waves or is needed in order adequately to provide, in accordance with the urban renewal plan for the project, new locations for persons, businesses, and facilities displaced by the earthquake."

"EXTENSION OF TERM OF HOME DISASTER LOANS

"SEC. 54. Loans made pursuant to paragraph (1) of section 7(b) of the Small Business Act (72 Stat. 387), as amended (15 U.S.C. 636(b)), for the purpose of replacing, reconstructing, or repairing dwellings in Alaska damaged or destroyed by the 1964 earthquake and subsequent seismic waves, may have a maturity of up to thirty years: Provided, That the provisions of section 7(c) of said Act shall not be applicable to such loans.

"MODIFICATION OF CIVIL WORKS PROJECTS

"SEC. 55. The Chief of Engineers, under the direction of the Secretary of the Army, is hereby authorized to make such modifications to previously authorized civil works projects in Alaska adversely affected by the 1964 earthquake and subsequent seismic waves as he finds necessary to meet changed conditions and to provide for current and reasonably prospective requirements of the communities they serve, at an estimated cost of \$10,000,000.

"PURCHASE OF ALASKA STATE BONDS

"SEC. 56. The Housing and Home Finance Administrator is authorized to purchase, in accordance with the provisions of sections 202(b), 203, and 204 of title II of the Housing Amendments of 1955, the securities and obligations of, or make loans to, the State of Alaska to finance any part of the programs needed to carry out the reconstruction activities in Alaska related to the 1964 earthquake and subsequent seismic waves or to complete capital improvements begun prior to the earthquake: Provided, That the aggregate amount of such purchase or loan shall not exceed \$25,000,000.

"RETIREMENT OR ADJUSTMENT OF OUTSTANDING MORTGAGE OBLIGATION

"SEC. 57. For the purpose of enabling the State of Alaska to retire or adjust outstanding home mortgage obligations or other real property liens secured by one to four family homes which were severely damaged or destroyed in the March 1964 earthquake and subsequent seismic waves, the President is authorized to make additional grants to the State of Alaska in an amount not to exceed a total of \$5,500,000 to match, on a fifty-fifty basis, any funds provided by the State to pay the costs of retiring or adjusting such mortgage obligations. In order to be approved, a State application for a grant for carrying out the purpose of this section must: (1) be in accordance with a plan submitted by the State, to be approved by the President, for the implementation of the purpose of this section; (2) designate the State agency for retiring or adjusting said mortgage obligations; (3) provide that the mortgagor shall be required to absorb the damage loss to the entire extent of his equity interest in the property and also agree to pay at least \$1,000 of the outstanding mortgage balance; (4) provide that no payments for retiring or adjusting mortgage obligations on a single property shall exceed \$30,000; (5) provide regulations to assure equitable treatment among home owners and to prevent unjustified payments or gains to the State, mortgagees or mortgagors; and (6) provide that the State agency will make such reports, in such form and containing such information as the President may from time to time require, and give the President, upon demand, access to the records on which such reports are based."

APPROPRIATION AUTHORIZATION

SEC. 5. *There is authorized to be appropriated such sums as may be necessary to carry out the provisions of this Act, which shall be available for obligation until June 30, 1967. There is also authorized to be appropriated such sums as may be necessary for the expenses of such advisory commissions or committees as the President may establish in connection with the reconstruction and development planning of the State of Alaska. The total amount authorized to be appropriated pursuant to this section shall not exceed \$55,650,000.*

TERMINATION DATE

SEC. 6. *The authority contained in this Act shall expire on June 30, 1967, except that such expiration shall not affect the payment of expenditures for any obligation or commitment entered into under this Act prior to June 30, 1967.*

REPORTING

SEC. 7. *The President shall report semiannually during the term of this Act to the President of the Senate and the Speaker of the House on the actions taken under this Act by the various Federal agencies. The first such report shall be submitted not later than February 1, 1965, and shall cover the period ending December 31, 1964.*

And the House agree to the same.

LEO W. O'BRIEN,
RALPH J. RIVERS,
EDWARD R. ROYBAL,
JOHN KYL,
HOMER E. ABELE,

Managers on the Part of the House.

HENRY M. JACKSON,
ALAN BIBLE,
ERNEST GRUENING,
THOMAS H. KUCHEL,
GORDON ALLOTT,

Managers on the Part of the Senate.

STATEMENT OF THE MANAGERS ON THE PART OF THE HOUSE

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 2881) to amend the Alaska Omnibus Act to provide assistance to the State of Alaska for the reconstruction of areas damaged by the earthquake of March 1964 and subsequent seismic waves, submit the following statement in explanation of the effect of the language agreed upon and recommended in the accompanying conference report. The language agreed upon is the language of the House amendment except as herein noted.

The Senate bill would have authorized the purchase by the Federal Government of up to \$25 million in State securities to assist the State in carrying out earthquake reconstruction activities. The House enlarged this purpose to include the completion of capital improvements begun prior to the earthquake and to provide for the repayment by the State over a 50-year period with interest at not more than 3 percent on the unpaid balance. Members of the conference committee from the Senate agreed to recede from disagreement on the first part of this amendment and members of the conference committee from the House to yield on the second part. The result is that the State will pay the same interest rate that the United States pays on its long-term obligations. This, with a small service charge, is understood to be 3¾ percent currently.

The House amendment also authorized, as the Senate bill did not, the repurchase by the Federal National Mortgage Association of home mortgages insured by the Federal Housing Administration and secured by property in Alaska that was destroyed or severely damaged by the earthquake. The aggregate amount of such repurchases was limited to \$10 million. The committee of conference recommends substitute language which will authorize a grant of \$5½ million to the State to be used on a matching-fund basis to retire or adjust outstanding mortgage obligations on homes accommodating from one to four families. This includes not only FHA-insured mortgages but others as well. The terms on which the grant may be made are spelled out in the text of the conference amendment.

In recommending this compromise language the conferees intend the retirement or adjustment of mortgages to include only those covering properties on which the physical damage suffered amounted to 60 percent or more of the pre-earthquake value of the properties. The conferees recognize that, in some cases, the land on which the earthquake-damaged properties were located has been destroyed or altered so drastically as to render the site unacceptable as a location for future structures. In such cases, the State, at its option, may obtain title to the land in order to facilitate urban land stabilization or other community action. The conferees further intend that the word "programs" in section 56 ("Purchase of Alaska State Bonds")

shall include any approved State program to implement section 57, just described.

The conferees' recommendation necessarily includes a \$5½ million increase in appropriation authorization to cover the additional Federal grants to the State of Alaska to be used to match funds provided by the State to pay the cost of retiring or adjusting said outstanding mortgage obligations as aforesaid.

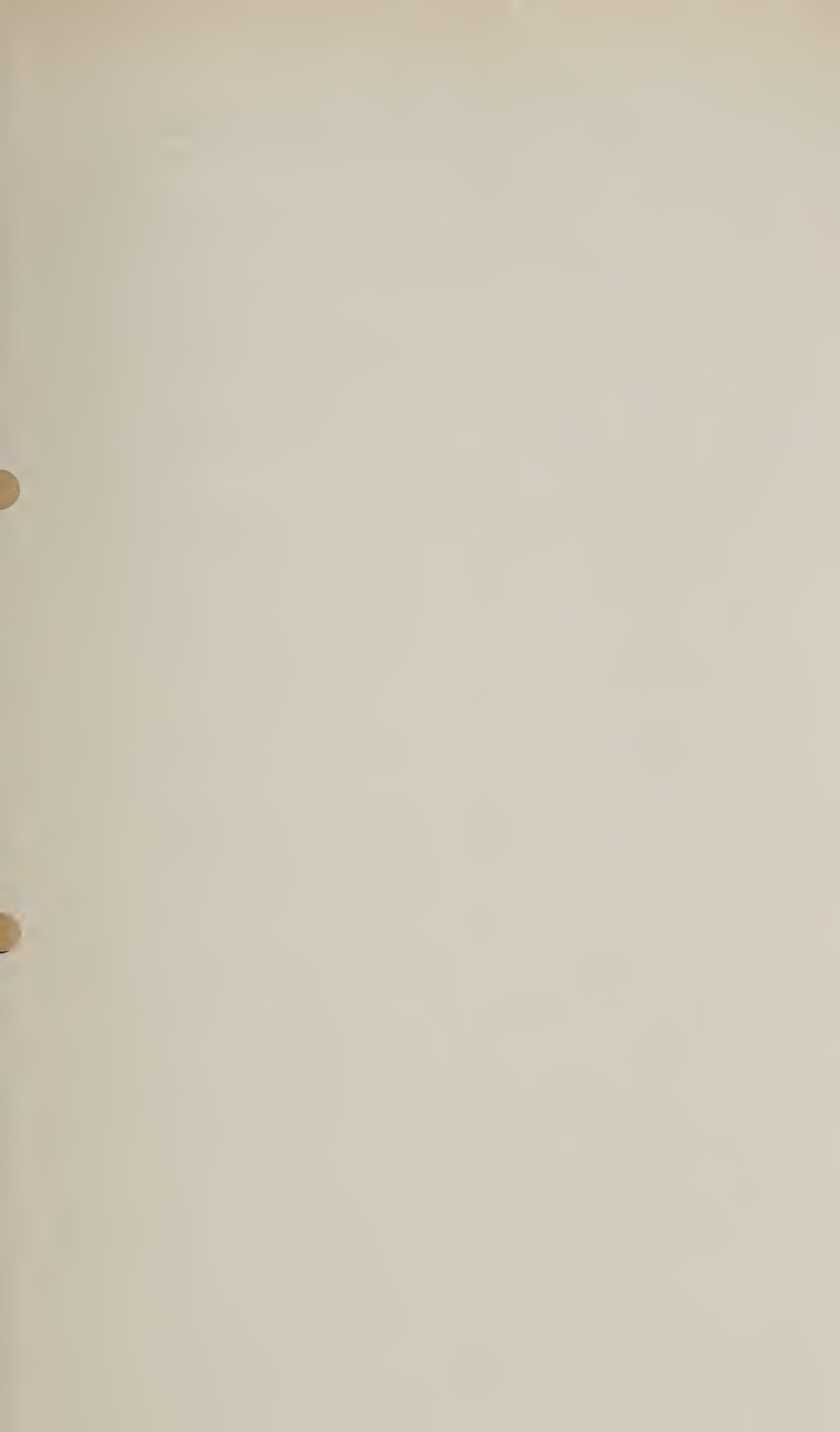
In all other respects the conference committee agreed to the language of the House amendment to the Senate-passed bill.

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○



A NEW BILL TO BAR FOREIGN FISH PROCESSING IN U.S. TERRITORIAL WATERS

(Mr. PELLY (at the request of Mr. HALL) was granted permission to extend his remarks at this point in the Record and to include extraneous matter.)

Mr. PELLY. Mr. Speaker, I have introduced H.R. 12275 similar to legislation being cosponsored in the other body at I understand, by the two distinguished Senators from my State of Washington, Senators MAGNUSON and JACKSON.

This bill would amend Public Law 88-308, the recently passed law that bans foreign commercial fishermen from fishing within the territorial waters of the United States.

The amendment such as the Senators and myself propose would expand and clarify the definition in subsection "c" of Section 5 of the act so as to insert language to ban freezing, packing or other processing.

This new definition is made necessary to ban Japanese freezer ships which have been operating in Alaskan waters recently. The Japanese pay their workers 33 cents an hour; we pay ours not less than \$3 per hour. Because of this differential in processing costs American cannery cannot compete with the Japanese in buying raw fish from Alaskan fishermen.

Unless the administration takes action our American fish cannery will have to go out of business and hundreds of American workers will lose their jobs.

The purpose of introducing this bill now, Mr. Speaker, is to obtain agency reports so it can have early attention next year.

PROVIDING ASSISTANCE TO ALASKA FOR RECONSTRUCTION

Mr. ASPINALL submitted the following conference report and statement on the bill (S. 2881) to amend the Alaska Omnibus Act to provide assistance to the State of Alaska for the reconstruction of areas damaged by the earthquake of March 1964 and subsequent seismic waves, and for other purposes.

CONFERENCE REPORT (H. REPT. No. 1710)

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viding for the reconstruction of the areas in the State devastated by this natural disaster.

"SEC. 3. Section 21 of the Alaska Omnibus Act (73 Stat. 145) is amended by adding a new subsection (f) to read as follows:

"(f) Notwithstanding the limitation contained in subsection (f) of section 120 of title 23, United States Code, the Secretary of Commerce is authorized to make expenditures from the emergency fund under section 125 of such title for the repair or reconstruction of highways on the Federal-aid highway systems of Alaska which have been damaged or destroyed by the 1964 earthquake and subsequent seismic waves, in accordance with the Federal share payable under subsection (a) of section 120 of such title. The increase in expenditures resulting from the difference between the Federal share authorized by this subsection and that authorized by subsection (f) of section 120 of such title shall be reimbursed to the emergency fund by an appropriation from the general fund of the Treasury: *Provided*, That such increase in expenditures shall not exceed \$15,000,000 in the aggregate."

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"SEC. 5. There is authorized to be appropriated such sums as may be necessary to carry out the provisions of this Act, which

shall be available for obligation until June 30, 1967. There is also authorized to be appropriated such sums as may be necessary for the expenses of such advisory commissions or committees as the President may establish in connection with the reconstruction and development planning of the State of Alaska. The total amount authorized to be appropriated pursuant to this section shall not exceed \$55,650,000.

"TERMINATION DATE"

"SEC. 6. The authority contained in this Act shall expire on June 30, 1967, except that such expiration shall not affect the payment of expenditures for any obligation or commitment entered into under this Act prior to June 30, 1967.

"REPORTING"

"SEC. 7. The President shall report semi-annually during the term of this Act to the President of the Senate and the Speaker of the House on the actions taken under this Act by the various Federal agencies. The first such report shall be submitted not later than February 1, 1965, and shall cover the period ending December 31, 1964."

And the House agree to the same.

LEO W. O'BRIEN,
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GORDON ALLOTT.

Managers on the Part of the Senate.

STATEMENT

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 2881) to amend the Alaska Omnibus Act to provide assistance to the State of Alaska for the reconstruction of areas damaged by the earthquake of March 1964 and subsequent seismic waves, submit the following statement in explanation of the effect of the language agreed upon and recommended in the accompanying conference report. The language agreed upon is the language of the House amendment except as herein noted.

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only FHA-insured mortgages but others as well. The terms on which the grant may be made are spelled out in the text of the conference amendment.

In recommending this compromise language the conferees intend the retirement or adjustment of mortgages to include only those covering properties on which the physical damage suffered amounted to 60 percent or more of the pre-earthquake value of the properties. The conferees recognize that, in some cases, the land on which the earthquake-damaged properties were located has been destroyed or altered so drastically as to render the site unacceptable as a location for future structures. In such cases, the State, at its option, may obtain title to the land in order to facilitate urban land stabilization or other community action. The conferees further intend that the word "programs" in section 56 ("Purchase of Alaska State Bonds") shall include any approved State program to implement section 57, just described.

The conferees' recommendation necessarily includes a \$5½ million increase in appropriation authorization to cover the additional Federal grants to the State of Alaska to be used to match funds provided by the State to pay the cost of retiring or adjusting said outstanding mortgage obligations as aforesaid.

In all other respects the conference committee agreed to the language of the House amendment to the Senate-passed bill.

LEO W. O'BRIEN,
RALPH J. RIVERS,
EDWARD R. ROYBAL
(By L.O.B.),
JOHN KYL,
HOMER E. ABELE.

Managers on the Part of the House.

MESSAGES FROM THE PRESIDENT

Sundry messages in writing from the President of the United States were communicated to the House by Mr. Ratchford, one of his secretaries, who also informed the House that on the following dates the President approved and signed bills of the House of the following titles:

On August 3, 1964:

H.R. 4177. An act to authorize the Secretary of the Army to convey to the city of St. Paul, Minn., all right, title, and interest of the United States in and to certain lands heretofore conveyed to such city.

On August 4, 1964:

H.R. 248. An act to amend section 801 of title 38, United States Code, to provide assistance in acquiring specially adapted housing for certain blind veterans who have suffered the loss or loss of use of a lower extremity;

H.R. 1742. An act for the relief of the Wetzel County Hospital, New Martinsville, W. Va.;

H.R. 3220. An act for the relief of Hugh M. Brady;

H.R. 5814. An act for the relief of Norman R. Tharp;

H.R. 6442. An act for the relief of Jasper E. Tate;

H.R. 6652. An act to authorize the Administrator of Veterans' Affairs to sell at prices which he determines to be reasonable direct loans made to veterans under chapter 37, title 38, United States Code;

H.R. 6882. An act for the relief of the Maloney Bros. Nursery Co., Inc.;

H.R. 8184. An act for the relief of Mr. and Mrs. Blanton Darbro;

H.R. 8709. An act for the relief of Eugene R. Wooster, Jr.;

H.R. 9021. An act to authorize the use of two tracts of land situated in Salt Lake City, Utah, for public school purposes;

H.R. 9199. An act for the relief of CWO Stanley L. Harney; and

H.R. 9764. An act for the relief of Anne S. Henkel.

THE 45TH REPORT ON LEND-LEASE OPERATIONS—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES

The SPEAKER laid before the House the following message from the President of the United States which was read, and, together with the accompanying papers, referred to the Committee on Foreign Affairs and ordered to be printed:

To the Congress of the United States:

I am transmitting herewith the 45th report to Congress on lend-lease operations. This report covers the calendar year 1963.

This report is submitted in accordance with the provisions of section 5, subsection (b), of the Lend-Lease Act of March 11, 1941.

LYNDON B. JOHNSON.

THE WHITE HOUSE, August 6, 1964.

ANTHONY F. BERNARDO AND AMBROSE A. CERRITO—VETO MESSAGE FROM THE PRESIDENT OF THE UNITED STATES (H. DOC. NO. 334)

The SPEAKER laid before the House the following veto message from the President of the United States:

To the House of Representatives:

I am returning, without my approval, enrolled bill H.R. 4501, for the relief of Anthony F. Bernardo and Ambrose A. Cerrito.

These employees, while assigned by the Navy Department to McMurdo Sound, Antarctica, worked many extra hours to complete their assignment within a very short period. Because of a statutory ceiling on their aggregate base pay and overtime pay within each 2-week pay period, however, they could not be compensated for all of their extra hours.

Many other employees, similarly motivated and similarly dedicated, in our national defense programs, in our space programs and in our national emergencies caused by floods and fires, have voluntarily worked long hours of overtime without being compensated, because of the statutory prohibition. This is unfortunate, but unavoidable, so long as the limitation upon salaries in the law remains in existence. It would be highly preferential to permit payment to Mr. Bernardo and Mr. Cerrito while denying it to the thousands of others employed under similar circumstances. Regretfully, therefore, I am constrained to veto the legislation.

LYNDON B. JOHNSON.

THE WHITE HOUSE, August 6, 1964.

The SPEAKER. The objections of the President will be spread at large upon the Journal.

Without objection, the bill and message were referred to the Committee on the Judiciary and ordered to be printed.

Digest of CONGRESSIONAL PROCEEDINGS

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

UNITED STATES DEPARTMENT OF AGRICULTURE

Washington, D.C. 20250

Official business Postage and fees paid

U. S. Department of Agriculture

OFFICE OF
BUDGET AND FINANCE

(For information only;
should not be quoted
or cited)

Issued
For actions of

Aug. 10, 1964
Aug. 7 & 8, 1964
88th-2nd: Nos. 153
and 154

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Containers.....27,37	Personnel.....22	
Crop insurance.....4	Poverty.....9,24,29,34	

HIGHLIGHTS: Senate passed agricultural appropriation bill. House passed poverty bill. Senate passed public works appropriation bill. Senate debated foreign-aid authorization bill. Sen. Miller inserted editorial criticizing administration's farm program. Rep. Poage introduced Public Law 480 bill.

SENATE - August 7

1. AGRICULTURAL APPROPRIATION BILL, 1965. The Appropriations Committee reported with amendments this bill, H. R. 11202 (S. Rept. 1331). Attached to this Digest is the committee report, which includes a statement of committee actions. p. 17886
2. PUBLIC WORKS APPROPRIATION BILL, 1965. Passed with amendments this bill, H. R. 11579 (pp. 17895-936). Senate conferees were appointed (p. 17936). Rejected, 23-57, an amendment by Sen. Nelson to reduce reclamation work by \$1,500,000 (p. 17922).

3. FOREIGN AID. Continued debate on H. R. 11380, the foreign-aid authorization bill. pp. 17937-47
4. CROP INSURANCE. Both Houses received from this Department a proposed bill to amend the Federal Crop Insurance Act, including a provision to remove the ceiling on appropriations; to Senate Agriculture and Forestry Committee and House Agriculture Committee. pp. 17885, 18037
5. FARM PROGRAM. Sen. Miller inserted and commended an editorial by Dick Hanson criticizing the administration's farm program. p. 17949
6. CONSERVATION. Sen. Mansfield inserted an article stating that this Congress may be known as "The Conservation Congress." p. 17856
7. TRANSPORTATION. Sen. Cotton inserted and commended an article by Ben Kelley indicating a belief that the "freight-car shortage" is a myth. pp. 17888-9
8. MARKETING. Sen. McGee inserted a letter from the River Markets Group, Nebr., commending the work of Sen. McGovern in connection with the bill to establish the National Commission on Food Marketing. p. 17950

HOUSE - August 7

9. POVERTY. Concluded debate on H. R. 11377, the poverty bill. By a 228-190 vote, agreed to an amendment by Rep. Landrum to substitute the text of S. 2642, a similar bill, with several modifications. During consideration in Committee of the Whole, adopted a motion to strike out the enacting clause, by a 170-135 vote. Then reversed this action by a record vote of 197-225. pp. 17972-18025
10. RICE EXPORTS. Rep. Thompson, Tex., spoke against plans for the Common Market to impose a tariff on U. S. long-grain rice. p. 17953
11. WILDERNESS. House conferees were appointed on S. 4, to establish a National Wilderness Preservation System. Senate conferees have been appointed. p. 18025
12. ALASKA RELIEF. Agreed to the conference report on S. 2881, to provide assistance to Alaska for reconstruction of areas damaged by the recent earthquake. p. 18026
13. AREA REDEVELOPMENT. Rep. Talcott criticized administration of the ARA program and referred to a recent GAO report on this matter. p. 18029
The Rules Committee reported a resolution for consideration of S. 1163, to amend certain provisions of the Area Redevelopment Act. p. 18037
14. RECLAMATION. The Interior and Insular Affairs Committee reported with amendment H. R. 2337, to authorize construction of the Lower Teton division of the Teton Basin reclamation project, Idaho (H. Rept. 1715). p. 18037
15. ADMINISTRATIVE LAW. The Rules Committee reported a resolution for consideration of S. 1664, to provide for continuous improvement of the administrative procedure of Federal agencies by creating an Administrative Conference of the U. S. p. 18037
16. FEED RELIEF. The Agriculture Committee reported without amendment H. R. 1811, to fix penalties for misuse of feed made available for relieving distress and for preservation of foundation herds (H. Rept. 1720). p. 18037

Corbett
Corman
Daddario
Daniels
Davis, Ga.
Davis, Tenn.
Dawson
Delaney
Dent
Denton
D'eggs
Dingell
Donohue
Downing
Dulski
Duncan
Dwyer
Edmondson
Edwards
Elliott
Everett
Evins
Fallon
Farbstein
Fascell
Felghan
Finnegan
Fino
Flood
Fogarty
Fountain
Fraser
Friedel
Fulton, Pa.
Fulton, Tenn.
Fuqua
Gallagher
Garmatz
Gary
Gialmo
Gibbons
Gilbert
Gill
Glenn
Gonzalez
Grabowski
Gray
Green, Oreg.
Green, Pa.
Griffiths
Hagen, Calif.
Halpern
Hanna
Hansen
Harding
Hardy
Hawkins
Hays
Healey
Hébert
Hechler
Henderson
Hollifield
Holland
Horton
Hull
Ichord
Jennings

Joelson
Johnson, Calif.
Johnson, Wis.
Jones, Ala.
Karsten
Karth
Kastenmeier
Kee
Kelly
Keogh
Kilgore
King, Calif.
Kirwan
Kluczynski
Kornegay
Landrum
Leggett
Lesinski
Libonati
Lindsay
Long, La.
Long, Md.
McDade
McDowell
McFall
McMillan
Macdonald
Madden
Mahon
Mathias
Matsunaga
Matthews
Miller, Calif.
Milliken
Mills
Minish
Monagan
Montoya
Moore
Moorhead
Morgan
Morris
Morrison
Moss
Multer
Murphy, Ill.
Murphy, N.Y.
Natcher
Nedzi
Nix
O'Brien, N.Y.
O'Hara, Ill.
O'Hara, Mich.
O'Konski
Olsen, Mont.
Olson, Minn.
O'Neill
Patman
Patten
Pepper
Perkins
Philbin
Pickle
Pike
Pilcher
Poage
Powell
Price

Pucinski
Purcell
Randall
Reid, N.Y.
Reuss
Rhodes, Pa.
Rivers, Alaska
Rivers, S.C.
Roberts, Tex.
Rodino
Rogers, Colo.
Rogers, Tex.
Rooney, N.Y.
Rooney, Pa.
Roosevelt
Rosenthal
Rostenkowski
Roush
Roybal
Ryan, Mich.
Ryan, N.Y.
St Germain
St. Onge
Saylor
Secrest
Sanner
Shappard
Shipley
Sibal
Sickles
Sisk
Slack
Smith, Iowa
Staebler
Stafford
Staggers
Steed
Stephens
Stratton
Stubblefield
Sullivan
Taylor
Teague, Tex.
Thomas
Thompson, La.
Thompson, N.J.
Thompson, Tex.
Toll
Trimble
Tupper
Udall
Ullman
Van Deerlin
Vanik
Vinson
Watts
Weltner
White
Whitener
Wickersham
Willis
Wilson,
Charles H.
Wright
Young
Zablocki

NAYS—190

Abbutt
Abele
Abernethy
Adair
Alger
Anderson
Andrews, Ala.
Andrews,
N. Dak.
Arends
Ashbrook
Ashmore
Auchincloss
Avery
Ayres
Baker
Barry
Bates
Battin
Becker
Beermann
Belcher
Bell
Bennett, Fla.
Berry
Betts
Bolton,
Frances P.
Bolton,
Oliver P.
Bow
Bray
Brock

Bromwell
Broomfield
Brotzman
Brown, Ohio
Broyhill, N.C.
Broyhill, Va.
Bruce
Burlison
Burton, Utah
Byrnes, Wis.
Casey
Cederberg
Chamberlain
Chenoweth
Clancy
Clausen
Don H.
Clawson, Del.
Cleveland
Collier
Colmer
Conte
Cramer
Cunningham
Curtin
Curtis
Dague
Derounian
Derwinski
Devine
Dole
Dorn
Dowdy

Ellsworth
Findley
Fisher
Flynt
Ford
Foreman
Forrester
Frelinghuysen
Gathings
Goodell
Goodling
Grant
Griffin
Gross
Grover
Gubser
Gurney
Hagan, Ga.
Haley
Hall
Halleck
Harris
Harrison
Harsha
Harvey, Ind.
Harvey, Mich.
Herlong
Hoeven
Hoffman
Horan
Hosmer
Huddleston
Hutchinson

Jarman
Jensen
Johansen
Johnson, Pa.
Jonas
Keith
Kilburn
King, N.Y.
Knox
Kunkel
Kyl
Laird
Langen
Latta
Lipscomb
Lloyd
McClory
McCulloch
McIntire
McLoskey
MacGregor
Mailliard
Marsh
Martin, Calif.
Martin, Nebr.
May
Meador
Michel
Miller, N.Y.
Minshall
Morse
Morton

Mosher
Murray
Nelsen
Osmer
Ostertag
Pelly
Pillion
Pirnie
Poff
Pool
Quie
Quillen
Reid, Ill.
Reifel
Rhodes, Ariz.
Rich
Richman
Robison
Rogers, Fla.
Roudebush
Rumsfeld
St. George
Schadeberg
Schenck
Schneebell
Schweiker
Schwengel
Scott
Selden
Short
Shriver

NOT VOTING—13

Baring
Beckworth
Bennett, Mich.
Chelf
Jones, Mo.

Lankford
Lennon
Martin, Mass.
Norblad
Passman

Rains
Siler
Wilson, Bob

So the amendment was agreed to.
The Clerk announced the following pairs:

On this vote:
Mr. Beckworth for, with Mr. Lennon against.

Mr. Lankford for, with Mr. Passman against.

Mr. Siler for, with Mr. Bob Wilson against.

Until further notice:

Mr. Rains with Mr. Martin of Massachusetts.

Mr. Chelf with Mr. Baring.

The result of the vote was announced as above recorded.

The SPEAKER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time.

Mr. GOODELL. Mr. Speaker, I demand the reading of the engrossed copy of the bill.

The SPEAKER. The gentleman from New York [Mr. GOODELL] demands the reading of the engrossed copy of the bill.

Further proceedings will be postponed until tomorrow.

FURTHER MESSAGE FROM THE SENATE

A further message from the Senate by Mr. Arrington, one of its clerks, announced that the Senate had passed without amendment a joint resolution of the House of the following title:

H.J. Res. 1145. Joint resolution to promote the maintenance of international peace and security in southeast Asia.

ELECTION TO COMMITTEE

Mr. MILLS. Mr. Speaker, I offer a privileged resolution, and ask for its immediate consideration.

The Clerk read as follows:

H. RES. 829

Resolved, That WILLIAM J. GREEN, of Pennsylvania, be and he is hereby elected a member of the standing committee of the House of Representatives on Post Office and Civil Service.

The resolution was agreed to.
A motion to reconsider was laid on the table.

PARLIAMENTARY INQUIRY

Mr. POWELL. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. POWELL. Mr. Speaker, what time will the House meet tomorrow?

The SPEAKER. In the absence of a unanimous-consent agreement for an earlier hour, under the rules of the House it will meet at 12 o'clock.

Mr. ALBERT. Mr. Speaker, may I inquire whether it would be in order at this time and if there would be an objection at this time if I made a unanimous-consent request that the House convene at 11 o'clock?

Mr. HALLECK. I have been informed there would be objection.

THE ESTABLISHMENT OF A NATIONAL WILDERNESS PRESERVATION SYSTEM

Mr. ASPINALL. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (S. 4) to establish a National Wilderness Preservation System for the permanent good of the whole people, and for other purposes, with House amendment thereto, insist on the House amendment and agree to the conference asked by the Senate.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Colorado? [After a pause.] The Chair hears none, and appoints the following conferees: Messrs. ASPINALL, JOHNSON of California, WHITE, SAYLOR, and MORTON.

AUTHORIZING SECRETARY OF THE INTERIOR TO CONVEY CERTAIN FEDERALLY OWNED LAND IN TRUST STATUS TO THE CHEROKEE INDIAN TRIBE OF OKLAHOMA

Mr. ASPINALL. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H.R. 6496) to authorize the Secretary of the Interior to convey certain federally owned land in trust status to the Cherokee Indian Tribe of Oklahoma, with a Senate amendment thereto, and concur in the Senate amendment.

The Clerk read the title of the bill.
The Clerk read the Senate amendment, as follows:

Strike out all after the enacting clause and insert: "That all the right, title, and interest of the United States in the following described land comprising 40 acres, more or less, heretofore set aside for school purposes, are hereby conveyed to the Cherokee Indian Tribe of Oklahoma, and such land shall not be subject to any exemption from

taxation, or restriction on use, management, or disposition, because of Indian ownership:

"North half southeast quarter northeast quarter, and that part of the northeast quarter northeast quarter lying south of United States highway Numbered 62, section 20, township 16 north, range 22 east, Indian meridian, Oklahoma.

"Sec. 2. The Indian Claims Commission is directed to determine in accordance with the provisions of section 2 of the Act of August 13, 1946 (60 Stat. 1050), the extent to which the value of the lands conveyed under the authority of this Act should or should not be set off against any claim against the United States determined by the Commission subsequent to the conveyance.

The SPEAKER. Is there objection to the request of the gentleman from Colorado?

There was no objection.

The Senate amendment was concurred in.

The title was amended to read: "An Act to convey certain federally owned land to the Cherokee Tribe of Indians of Oklahoma."

A motion to reconsider was laid on the table.

Mr. EDMONDSON. Mr. Speaker, I appreciate the action of the House in approving this measure, making available to the Cherokee Indians a parcel of land surplus to the needs of the Sequoyah Indian School in Oklahoma.

I regret the other body would not agree to the House version of this bill conveying the land in trust but it is apparent this is the best deal available to the Cherokees at this stage in the session, and the land is urgently needed.

The Hon. W. W. Keeler, chief of the Cherokee, has advised me by telephone that the Senate version of the bill is acceptable to him under the circumstances.

Mr. ASPINALL. Mr. Speaker, I ask unanimous consent that a telegram addressed to my colleague, the gentleman from Oklahoma [Mr. EDMONDSON], signed by the general counsel of the Cherokee Indian tribe, stating their consent to and satisfaction with this legislation, be made a part of the RECORD at this point.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

The telegram referred to is as follows:

MUSKOGEE, OKLA., August 4, 1964.

Hon. ED EDMONDSON,
House of Representatives,
Washington, D.C.:

Just back from Sheridan this morning. Have conferred by phone with Chief Keeler we both agree that the Cherokees will be happy to receive fee title in the name of the Cherokee nation to 40 acres at Sequoyah with no tax exemption and no restriction on use management as amended by Senate committee, we thank you for your effort and hope the bill passes this session and thank you for your telegram.

EARL BOYD PIERCE,
Cherokee General Counsel.

INDEPENDENCE NATIONAL HISTORICAL PARK

Mr. ASPINALL. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H.R. 988) to authorize the Secretary of the Interior to acquire the Graff House site for inclusion in Independence National Histor-

ical Park, and for other purposes, with a Senate amendment thereto, and concur in the Senate amendment.

The Clerk read the title of the bill.

The Clerk read the Senate amendment, as follows:

Page 2, line 20, strike out "Act." and insert: "Act: *Provided*, That the Secretary of the Interior shall not obligate or expend any moneys herein authorized to be appropriated for acquisition of the land unless and until commitments are obtained for donations in an amount which in the judgment of the Secretary is sufficient to provide a replica of the Graff House in accordance with section 2."

The SPEAKER. Is there objection to the request of the gentleman from Colorado?

There was no objection.

The Senate amendment was concurred in.

A motion to reconsider was laid on the table.

AMENDING THE ALASKA OMNIBUS ACT

Mr. ASPINALL. Mr. Speaker, I call up the conference report on the bill (S. 2881) to amend the Alaska Omnibus Act to provide assistance to the State of Alaska for the reconstruction of areas damaged by the earthquake of March 1964 and subsequent seismic waves, and for other purposes, and ask unanimous consent that the statement of the managers on the part of the House be read in lieu of the report.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Colorado?

There was no objection.

The Clerk read the statement.

(For conference report and statement, see proceedings of the House of August 6, 1964.)

The conference report was agreed to.

A motion to reconsider was laid on the table.

PERSONAL ANNOUNCEMENT

(Mr. POOL asked and was given permission to address the House for 1 minute.)

Mr. POOL. Mr. Speaker, I was absent on roll call No. 210 on House Joint Resolution 1145, voted on today, due to illness. If I had been present I would have voted in favor of the resolution.

GENERAL LEAVE TO EXTEND REMARKS

Mr. ROOSEVELT. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to extend their remarks on the bill H.R. 11377, considered today.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

CORRECTION OF VOTE

Mr. GRAY. Mr. Speaker, on rollcall No. 210, I am informed by the tally clerk, I am recorded as not voting. I was

present and voted "yea." I ask unanimous consent that the permanent RECORD be corrected accordingly.

The SPEAKER pro tempore (Mr. LIBONATI). Is there objection to the request of the gentleman from Illinois?

There was no objection.

POVERTY BILL—SENATOR NORRIS COTTON'S COMMENTS (NO. 2)

(Mr. CLEVELAND (at the request of Mr. BROMWELL) was granted permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. CLEVELAND. Mr. Speaker, yesterday I called to my colleagues' attention the cogent and articulate comments of New Hampshire's senior Senator in regard to the poverty bill. Today, I wish to call to my colleagues' attention an excellent editorial written by Clinton L. White, editor and publisher of the Coos County Democrat, a weekly newspaper published in Lancaster, N.H. The editorial entitled "Explode the Myths" should be carefully read and thoughtfully considered. Senator Cotton's comments and Clinton White's editorial are helpful in placing the poverty issue in focus. The issue is not whether the American people will fight the ancient scourge of poverty. We have always done this. The war has already been declared, and as I brought out in the CONGRESSIONAL RECORD yesterday—page 17746—more than \$100 billion is being spent for the battle. The issue is whether a thoughtful people will permit this problem to become the pawn of politicians. The issue is whether platitudes and promises will be allowed to raise false expectations based on misstatements and mistruths.

I commend Mr. White's editorial to my colleagues:

EXPLODE THE MYTHS

Whether Senator GOLDWATER would have been your first choice as a Republican candidate or not, the most important question is whether we want Lyndon Johnson to continue as President and to continue a Democratic administration and Congress. The most important question is whether we want sound government or government that promises all and runs us into greater and greater debt all the time.

The myth of the Johnson economy must be exploded during the campaign. There must be more lights turned on to show up just what is going on in an administration born out of a horrible tragedy. There must be more light on the actual operations and results of programs having a popular appeal but full of flaws.

Such a program is the President's anti-poverty bill, and we direct your attention to Senator NORRIS COTTON's "Your Senator Reports", to be found elsewhere on this page.

We call your attention to the duplications pointed out by Senator COTTON, to the unnecessary expenses of such duplication and to its weaknesses because of problems it doesn't do anything about.

We well know the appeal of any war on poverty, but any war takes more than men and uniforms. It must be planned to win the objectives and at a cost that will not bankrupt the Nation. During the great depression, we served as an interviewer for the leading public opinion poll, and in every case where people were getting aid through this difficult time, they seemed to feel that there

August 8, 1964

SENATE - August 8

17. AGRICULTURAL APPROPRIATION BILL, 1965. Passed as reported this bill, H. R. 11202. Conferees were appointed. pp. 18090-114
18. FOREIGN AID. Continued debate on H. R. 11380, the foreign-aid authorization bill. Rejected, 25 to 34, an amendment by Sen. Thurmond that would have banned discrimination in U.S. aid programs. pp. 18115-23
19. BEEF EXPORTS. Sen. McGee inserted an editorial praising USDA efforts to increase beef exports and an article including data on USDA beef purchases during the first week of July. pp. 18080-1
20. STRIP MINING. Sen. Lausche called for a study of "the adverse impact that surface strip mining has on wildlife, fish, life, vegetation, the general water supply, and the general economy of the communities which are plagued with this problem. p. 18077
21. ALASKA. Agreed to the conference report on S. 2881, the Alaska relief bill. This bill will now be sent to the President. p. 18114
22. PERSONNEL. Concurred in the House amendments to S. 1833, to authorize Government agencies to provide quarters, household furniture, and equipment, utilities, subsistence, and laundry service to U. S. civilian officers and employees. This bill will now be sent to the President. p. 18080
23. MILITARY CONSTRUCTION APPROPRIATION BILL, 1965. Passed as reported, 64 to 0, this bill, H. R. 11369. pp. 18082-90

HOUSE - August 8

24. POVERTY. Passed S. 2642 after substituting the language of H. R. 11377, previously passed by a 226-184 vote. pp. 18039-63
25. RECLAMATION. The Interior and Insular Affairs Committee reported with amendment H. R. 3279, to authorize the Secretary of the Interior to construct, operate, and maintain the Dixie project, Utah (H. Rept. 1725). p. 18074
26. TARIFF. The Ways and Means Committee reported without amendment H. R. 12253, to correct certain errors in the U. S. tariff schedules (H. Rept. 1728). p. 18074
27. LEGISLATIVE PROGRAM. Rep. Albert announced that on Mon. the House will consider sending H. R. 1839, meat import bill, to conference; and that on Tues. and the balance of the week, the House will consider sending S. 1007, the Pacific Northwest electric consumer guarantee, to conference; H. R. 5673, steel container labeling; H. R. 1803, Ozark National Scenic Riverways, Mo.; H. R. 12175, the housing bill; S. 1664, establishing an Administrative Conference of the U.S., will be considered. pp. 18064-5

ITEMS IN APPENDIX

28. AREA REDEVELOPMENT. Extension of remarks of Rep. Blatnik inserting ARA's answer to GAO's report that it overstated its estimate of the number of jobs that would be created under the accelerated public works program. p. A4171

29. POVERTY. Extension of remarks of Rep. Foreman criticizing the poverty bill.
p. A4173
Extension of remarks of Rep. Toll favoring the poverty bill. pp. A4192-3
30. WHEAT PROGRAM. Extension of remarks of Rep. Nelsen inserting a letter from a farmer complaining about the price he received for his wheat when he sold it on the free market, and an analysis of the recently announced program for 1965. pp. A4182-3
31. MEAT IMPORTS. Extension of remarks of Rep. Teague, Tex., inserting an Australian newspaper article on the beef import situation which was sent to one of his constituents by a rancher in Australia who stated, "Freeman was working for us, not for the country he represents." p. A4192
32. FOREIGN AGRICULTURE. Extension of remarks of Rep. Powell paying tribute to the Ivory Coast on the fourth anniversary of its independence mentioning its agricultural achievements. p. A4191

BILLS INTRODUCED

33. TRADE. H. R. 12286, by Rep. Barrett, to amend the Trade Expansion Act of 1962; to Ways and Means Committee.
34. POVERTY. H. R. 12288, by Rep. Glenn, to establish a National Human Resources Development Commission; to Education and Labor Committee
35. ROADS AND TRAILS. H. R. 12289, by Rep. Jensen, and H. R. 12290, by Rep. Kyl, to establish the Lewis and Clark Trail Commission; to Interior and Insular Affairs Committee.
36. PUBLIC LAW 480. H. R. 12298, by Rep. Poage, to extend the Agricultural Trade Development and Assistance Act of 1954; to Agriculture Committee.

BILL APPROVED BY THE PRESIDENT

37. CONTAINERS. H. R. 6413, to permit the sale in D. C. of milk and ice cream and other frozen dairy products in smaller containers than now permitted. Approved August 7, 1964 (Public Law 88-405).

0

COMMITTEE HEARING AUG. 10:

Public Law 480 amendments, H. Agriculture (exec).

oOo

On page 7, after line 15, to insert:

"FOREST SERVICE

"FOREST PROTECTION AND UTILIZATION

"For an additional amount for "Forest protection and utilization", for Forest research, \$2,750,000, of which \$900,000 for Forest research construction shall remain available until expended.

On page 7, line 25, after the word "research", to insert "for basic scientific research, and for facilities,"; on page 8, at the beginning of line 2, to strike out "\$40,863,000" and insert "\$45,113,000"; in line 6, after the word "Agriculture", to strike out "\$1,000,000" and insert "\$1,550,000"; in line 8, after "(16 U.S.C. 582a-582a-7)", to insert a semicolon and "\$2,000,000 in addition to funds otherwise available, for grants for support of basic scientific research under the Act approved September 6, 1958 (42 U.S.C. 1891-1893; \$3,242,000 for grants for facilities under the Act approved July 22, 1963 (77 Stat. 90)", and in line 21, after the word "all", to strike out "\$42,440,000" and insert "\$52,482,000".

On page 9, line 8, after "(7 U.S.C. 341-349)", to strike out "\$65,725,000" and insert "\$70,530,000"; and in line 11, after the word "all", to strike out "\$67,295,000" and insert "\$72,100,000".

On page 9, line 21, after the word "employees", to strike out "\$7,410,000" and insert "\$7,510,000".

On page 10, line 10, after the word "possessions", to strike out "\$2,451,000" and insert "\$2,551,000".

On page 10, line 17, after "(7 U.S.C. 1621-1627)", to strike out "\$1,082,000" and insert "\$1,102,000".

On page 12, after line 6, to strike out:

"WATERSHED PLANNING

"For necessary expenses for small watershed investigations and planning, \$5,524,000, to remain available until expended."

On page 12, after line 10, to strike out:

"WATERSHED PROTECTION

"For necessary expenses to conduct river basin surveys and investigations, and research and to carry out preventive measures, including, but not limited to, engineering operations, methods of cultivation, the growing of vegetation, and changes in use of land, in accordance with the Watershed Protection and Flood Prevention Act, approved August 4, 1954, as amended (16 U.S.C. 1001, 1008), and the provisions of the Act of April 27, 1935 (16 U.S.C. 590a f), to remain available until expended, \$60,324,000, with which shall be merged the unexpended balances of funds heretofore appropriated or transferred to the Department for watershed protection purposes: *Provided*, That this appropriation shall be available for field employment pursuant to the second sentence of section 706(a) of the Organic Act of 1944 (5 U.S.C. 574), and not to exceed \$100,000 shall be available for employment under section 15 of the Act of August 2, 1946 (5 U.S.C. 55a): *Provided further*, That not to exceed \$4,000,000, together with the unobligated balance of funds previously appropriated for loans and related expense, shall be available for such purposes."

On page 13, after line 7, to insert:

"WATERSHED PROTECTION

"For necessary expenses to conduct surveys, investigations, and research and to carry out preventive measures, including, but not limited to, engineering operations, methods of cultivation, the growing of vegetation, and changes in use of land, in accordance with the Watershed Protection and Flood Prevention Act, approved August 4, 1954, as amended (16 U.S.C. 1001-1008) and the provisions of the Act of April 27, 1935 (16 U.S.C. 590a-f), to remain available until expended, \$65,848,000, with which shall be

merged the unexpended balances of funds heretofore appropriated or transferred to the Department for watershed protection purposes: *Provided*, That this appropriation shall be available for field employment pursuant to the second sentence of section 706 (a) of the Organic Act of 1944 (5 U.S.C. 574), and not to exceed \$100,000 shall be available for employment under section 15 of the Act of August 2, 1946 (5 U.S.C. 55a): *Provided further*, That not to exceed \$5,000,000 together with the unobligated balance of funds previously appropriated for loans and related expense, shall be available for such purposes."

On page 14, at the beginning of line 15, to strike out "\$25,423,000" and insert "\$22,656,000".

On page 15, line 6, after "(16 U.S.C. 590p)", to strike out "\$14,176,000" and insert "\$14,744,000".

On page 15, at the beginning of line 15, to strike out "\$1,496,000" and insert "\$2,044,000".

On page 16, line 18, after the word "products", to strike out "\$9,476,000" and insert "\$10,576,000".

On page 17, line 15, after the word "laws", to strike out "\$11,431,000" and insert "\$11,892,000".

On page 18, line 12, after the numerals "1946", to strike out "\$39,389,000" and insert "\$39,590,125".

On page 18, line 21, after "(7 U.S.C. 1446, note)", to strike out "\$99,831,000" and insert "\$106,000,000", and in the same line, after the amendment just above stated, to strike out the comma and "to be derived by transfer from funds available under section 32 of the Act of August 24, 1935 (7 U.S.C. 612)".

On page 20, line 1, after the word "than", to strike out "\$45,000,000" and insert "\$35,000,000"; in line 3, after the word "of", to strike out "\$25,000,000" and insert "\$11,000,000", and in line 7, after the numerals "1964", to strike out the comma and "of which amount \$2,000,000 shall remain available until expended for construction, alteration and modification of research facilities".

On page 20, line 20, after "(7 U.S.C. 1766)", to strike out "\$18,790,000" and insert "\$20,488,000".

On page 21, line 10, after "(7 U.S.C. 1-17a)", to strike out "\$1,100,000" and insert "\$1,119,000".

On page 22, line 9, after the word "appropriation", to insert a colon and "*Provided further*, That no part of the funds appropriated or made available under this Act shall be used, (1) to influence the vote in any referendum; (2) to influence agricultural legislation, except as permitted in 18 U.S.C. 1913; or (3) for salaries or other expenses of members of county and community committees established pursuant to section 8(b) of the Soil Conservation and Domestic Allotment Act, as amended, for engaging in any activities other than advisory and supervisory duties and delegated program function prescribed in administrative regulations."

On page 22, at the beginning of line 23, to strike out "\$86,400,000" and insert "\$92,300,000".

On page 26, line 17, after the word "amended", to strike out "\$7,200,000" and insert "\$20,000,000".

On page 26, after line 18, to insert:

"EMERGENCY CONSERVATION MEASURES

"For emergency conservation measures, to be used for the same purposes and subject to the same conditions as funds appropriated under this head in the Third Supplemental Appropriation Act, 1957, to remain available until expended, \$4,000,000, with which shall be merged the unexpended balances of funds heretofore appropriated for emergency conservation measures."

On page 28, line 5, after the word "service", to strike out "\$3,784,000" and insert "\$3,853,000".

On page 29, line 9, after the word "Library", to strike out "\$1,347,000" and insert "\$1,547,000".

On page 30, line 4, after the word "Agriculture", to strike out "\$3,530,000" and insert "\$3,314,000".

On page 31, line 15, after "(5 U.S.C. 55a)", to strike out "\$11,641,000" and insert "\$11,428,000".

On page 32, line 14, after the word "loans", to strike out "\$3,500,000" and insert "\$5,000,000".

On page 33, line 2, after "(40 U.S.C. 440-444)", to strike out "\$39,544,000" and insert "\$39,794,000"; in line 3, after the word "than", to strike out "\$2,000,000" and insert "\$2,250,000", and in line 7, after the word "amended", to strike out the colon and "*Provided*, That, in addition, not to exceed \$500,000 of the funds available for the various programs administered by this Agency may be transferred to this appropriation for temporary field employment pursuant to the second sentence of section 706(a) of the Organic Act of 1944 (5 U.S.C. 574) to meet unusual or heavy workload increases".

On page 34, line 14, after "(15 U.S.C. 713a-11, 713a-12)", to strike out "\$1,724,000,000" and insert "\$1,574,000,000".

On page 35, line 12, after the word "hereof", to insert a colon and "*Provided further*, That no part of the administrative funds authorized under this head or of the capital funds of the Commodity Credit Corporation shall be available to formulate or administer a cotton loan program during fiscal year 1965 which requires that micronaire readings shall be mandatory as a part of the cotton classing in connection with cotton loans."

On page 36, line 2, after the word "Act", to strike out "\$1,612,000,000" and insert "\$1,737,000,000", and in line 6, to strike out "\$55,000,000" and insert "\$35,000,000".

On page 36, line 19, after "(7 U.S.C. 1856)", to strike out "\$82,860,000" and insert "\$102,860,000".

On page 37, line 6, after the word "and", to strike out "seventy-two" and insert "seventy-four".

On page 38, after line 10, to insert a new section, as follows:

"Sec. 507. No part of any increase provided in this Act above the 1964 appropriation for any project or activity shall be used to build up such project or activity to an annual rate greater than the level provided in this Act."

Mr. HOLLAND. Mr. President, if there are no amendments to be offered, I ask that the bill be read the third time.

The PRESIDING OFFICER. The bill is open to further amendment. If there be no amendment to be proposed, the question is on the engrossment of the amendments and the third reading of the bill.

The amendments were ordered to be engrossed, and the bill to be read a third time.

The bill was read the third time.

The PRESIDING OFFICER. The bill having been read the third time, the question is, Shall it pass?

The bill (H.R. 11202) was passed.

Mr. MANSFIELD. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. HOLLAND. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. HOLLAND. Mr. President, I move that the Senate insist upon its amendments and request a conference with the House of Representatives thereon and that the Chair appoint the conferees on the part of the Senate.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Florida.

The motion was agreed to; and the Chair appointed Mr. HOLLAND, Mr. RUSSELL, Mr. ELLENDER, Mr. YOUNG of North Dakota, and Mr. MUNDT conferees on the part of the Senate.

Mr. STENNIS. Mr. President, will the Senator from Florida yield to me?

Mr. HOLLAND. I yield.

Mr. STENNIS. I am familiar enough with the bill and the work which the Senator from Florida has done so that I can testify to the work as outstanding. The Senator is to be highly commended as well as thanked by the Senate for his very fine services.

Mr. HOLLAND. Mr. President, I appreciate those gracious words. I accept them on behalf of the entire subcommittee and the full committee, of which the Senator from Mississippi is one of the most useful members.

Mr. JORDAN of North Carolina. Mr. President, will the Senator yield?

Mr. HOLLAND. I yield.

Mr. JORDAN of North Carolina. I should like to add a word to what the Senator from Mississippi has so ably said. Not only the chairman of the subcommittee and the members of the subcommittee, but also the entire staff have rendered distinguished service. This is a tremendous job, requiring days and nights of work. The chairman has worked diligently at it, and has come forth with a bill which the Senate has passed.

I have spent a great deal of time talking about tobacco. But I also commend the committee chairman on his treatment of all agriculture products. Cotton received a great deal of attention by the committee, as did peanuts and other commodities. It was an excellent job. I wish the Senator to know that we appreciate it very much.

Mr. HOLLAND. I thank the Senator.

Mr. BARTLETT. Mr. President, will the Senator yield?

Mr. HOLLAND. I yield.

Mr. BARTLETT. I desire to join in the expressions which have just been made. Additionally, I wish to say that when the full committee met to mark up the bill, I marveled at the ability of the Senator from Florida to handle the intricate technical questions concerning it—and it is a large and detailed bill—without reference to a single note. He did an excellent piece of work.

Mr. HOLLAND. Mr. President, I thank the Senator. I pass on much of that compliment to my excellent staff on both sides of the aisle.

Mr. President, I yield the floor.

MESSAGE FROM THE HOUSE—ENROLLED BILLS SIGNED

A message from the House of Representatives, by Mr. Hackney, one of its

reading clerks, announced that the Speaker had affixed his signature to the following enrolled bills, and they were signed by the President pro tempore:

S. 1057. An act to promote the cause of criminal justice by providing for the representation of defendants who are financially unable to obtain an adequate defense in criminal cases in the court of the United States;

S. 1642. An act to amend the Securities Act of 1933, as amended, and the Securities Exchange Act of 1934, as amended, to extend disclosure requirements to the issuers of additional publicly traded securities, to provide for improved qualifications and disciplinary procedures for registered brokers and dealers, and for other purposes; and

S. 1991. An act to charter by act of Congress the Pacific Tropical Botanical Garden.

TRUST STATUS OF CERTAIN LANDS ON ROSEBUD SIOUX RESERVATION, S. DAK.

Mr. CHURCH. Mr. President, I ask that the Chair lay before the Senate a message from the House of Representatives on S. 136, a bill to place in trust certain lands on the Rosebud Sioux Reservation in South Dakota.

The PRESIDING OFFICER (Mr. BREWSTER in the chair) laid before the Senate the amendment of the House of Representatives to the bill (S. 136) to place in trust status certain lands on the Rosebud Sioux Reservation in South Dakota, which was, on page 1, after line 2, strike out "1,075.01" and insert "1,375.01".

Mr. CHURCH. Mr. President, the Senate passed this measure on October 22, 1963. At the time the bill was reprinted, the figure in section 2 showing the total acreage covered by that section was misprinted. The House has amended S. 136 to make the necessary correction. It is simply a technical amendment that does not change the bill at all. The total acreage was printed as 1075.01, whereas it should be 1375.01.

Therefore, Mr. President, I move that the Senate concur in the amendment of the House to S. 136.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Idaho.

The motion was agreed to.

AMENDMENT OF ALASKA OMNIBUS ACT—CONFERENCE REPORT

Mr. BIBLE. Mr. President, on behalf of the distinguished junior Senator from Washington [Mr. JACKSON], who is absent on official business, I submit a report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the House to the bill (S. 2881) to amend the Alaska Omnibus Act to provide assistance to the State of Alaska for the reconstruction of areas damaged by the earthquake of March 1964 and subsequent seismic waves, and for other purposes. I ask unanimous consent for the present consideration of the report.

The PRESIDING OFFICER. The report will be read for the information of the Senate.

The legislative clerk read the report.

(For conference report, see House proceedings of August 6, 1964, pp. 17747-17748).

The PRESIDING OFFICER. Is there objection to the present consideration of the report?

There being no objection, the Senate proceeded to consider the report.

Mr. BIBLE. Mr. President, the conference report was unanimously agreed to by the conferees on behalf of the Senate and the conferees on behalf of the House of Representatives.

Mr. President, I ask unanimous consent to include in the body of today's RECORD an August 2, 1964, telegram from Gov. William A. Egan to Senator JACKSON expressing his support for the conference version of this, the major Alaska earthquake relief bill.

There being no objection, the telegram was ordered to be printed in the RECORD, as follows:

JUNEAU, ALASKA,
August 2, 1964.

Hon. HENRY M. JACKSON,
Senate Office Building,
Washington, D.C.

DEAR HENRY: I fully support your Alaska omnibus bill amendment as adopted by House and Senate conferees providing for joint Federal and Alaska State governments financial support designed to alleviate effect of mortgages that existed on homes destroyed or severely damaged in Alaska as result of earthquake and seismic sea waves of March 27, 1964. Alaska Department of Law has cleared State constitutionality for State participation. Please accept my appreciation.

Kindest regards.

WILLIAM A. EGAN,
Governor of Alaska.

The PRESIDING OFFICER. The question is on agreeing to the conference report.

The report was agreed to.

AMENDMENT OF FOREIGN ASSISTANCE ACT OF 1961

Mr. MANSFIELD. Mr. President, what is the pending business?

The PRESIDING OFFICER. The Chair lays before the Senate the unfinished business.

The Senate resumed the consideration of the bill (H.R. 11380) to amend further the Foreign Assistance Act of 1961, as amended, and for other purposes.

Mr. MANSFIELD. Mr. President, what is the pending question?

The PRESIDING OFFICER. The question is on the amendment of the Senator from South Carolina [Mr. THURMOND].

Mr. MANSFIELD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the order for a quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MANSFIELD. Mr. President, what is the pending question?

Public Law 88-451
88th Congress, S. 2881
August 19, 1964



An Act

To amend the Alaska Omnibus Act to provide assistance to the State of Alaska for the reconstruction of areas damaged by the earthquake of March 1964 and subsequent seismic waves, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "1964 Amendments to the Alaska Omnibus Act".

SEC. 2. The Congress hereby recognizes that the State of Alaska has experienced extensive property loss and damage as a result of the earthquake of March 27, 1964, and subsequent seismic waves, and declares the need for special measures designed to aid and accelerate the State's efforts in providing for the reconstruction of the areas in the State devastated by this natural disaster.

SEC. 3. Section 21 of the Alaska Omnibus Act (73 Stat. 145) is amended by adding a new subsection (f) to read as follows:

"(f) Notwithstanding the limitation contained in subsection (f) of section 120 of title 23, United States Code, the Secretary of Commerce is authorized to make expenditures from the emergency fund under section 125 of such title for the repair or reconstruction of highways on the Federal-aid highway systems of Alaska which have been damaged or destroyed by the 1964 earthquake and subsequent seismic waves, in accordance with the Federal share payable under subsection (a) of section 120 of such title. The increase in expenditures resulting from the difference between the Federal share authorized by this subsection and that authorized by subsection (f) of section 120 of such title shall be reimbursed to the emergency fund by an appropriation from the general fund of the Treasury: *Provided*, That such increase in expenditures shall not exceed \$15,000,000 in the aggregate."

SEC. 4. The Alaska Omnibus Act (73 Stat. 141) is amended by adding the following new sections at the end of section 50 thereof:

"NEW FEDERAL LOAN ADJUSTMENTS

"SEC. 51. (a) The Secretary of Agriculture is authorized to compromise or release such portion of a borrower's indebtedness under programs administered by the Farmers Home Administration in Alaska as he finds necessary because of loss resulting from the 1964 earthquake and subsequent seismic waves, and he may refinance outstanding indebtedness of applicants in Alaska for loans under section 502 of the Housing Act of 1949 for the repair, reconstruction, or replacement of dwellings or farm buildings lost, destroyed, or damaged by such causes and securing such outstanding indebtedness. Such loans may also provide for the purchase of building sites, when the original sites cannot be utilized.

"(b) The Secretary of Agriculture is authorized to compromise or release such portion of a borrower's indebtedness under programs administered by the Rural Electrification Administration in Alaska as he finds necessary because of loss, destruction, or damage of property resulting from the 1964 earthquake and subsequent seismic waves.

"SEC. 52. The Housing and Home Finance Administrator is authorized to compromise or release such portion of any note or other obligation held by him with respect to property in Alaska pursuant to title II of the Housing Amendments of 1955 or included within the revolving fund for liquidating programs established by the Independent Offices Appropriation Act of 1955, as he finds necessary because of loss, destruction, or damage to facilities securing such obligations by the 1964 earthquake and subsequent seismic waves.

1964 Amendments
to the Alaska
Omnibus Act.
Earthquake dam-
age.

48 USC prec.
25 note.

73 Stat. 613.

73 Stat. 612.

72 Stat. 898.

Indebtedness,
release.

63 Stat. 433.
42 USC 1472.

78 STAT. 505.

78 STAT. 506.

69 Stat. 642;
70 Stat. 1114;
75 Stat. 175.
42 USC 1491-1497.
68 Stat. 272.

"URBAN RENEWAL

Grants, author-
ization.

70 Stat. 1101.
42 USC 1462.

63 Stat. 416;
75 Stat. 166.
42 USC 1453.

"SEC. 53. The Housing and Home Finance Administrator is authorized to enter into contracts for grants not exceeding \$25,000,000 for urban renewal projects in Alaska, including open land projects, under section 111 of the Housing Act of 1949, which he determines will aid the communities in which they are located in reconstruction and redevelopment made necessary by the 1964 earthquake and subsequent seismic waves. Such authorization shall be in addition to and separate from any grant authorization contained in section 103(b) of said Act.

"The Administrator may increase the capital grant for a project assisted under this section to not more than 90 per centum of net project cost where he determines that a major portion of the project area has either been rendered unusable as a result of the 1964 earthquake and subsequent seismic waves or is needed in order adequately to provide, in accordance with the urban renewal plan for the project, new locations for persons, businesses, and facilities displaced by the earthquake."

"EXTENSION OF TERM OF HOME DISASTER LOANS

"SEC. 54. Loans made pursuant to paragraph (1) of section 7(b) of the Small Business Act (72 Stat. 387), as amended (15 U.S.C. 636(b)), for the purpose of replacing, reconstructing, or repairing dwellings in Alaska damaged or destroyed by the 1964 earthquake and subsequent seismic waves, may have a maturity of up to thirty years: *Provided*, That the provisions of section 7(c) of said Act shall not be applicable to such loans.

"MODIFICATION OF CIVIL WORKS PROJECTS

"SEC. 55. The Chief of Engineers, under the direction of the Secretary of the Army, is hereby authorized to make such modifications to previously authorized civil works projects in Alaska adversely affected by the 1964 earthquake and subsequent seismic waves as he finds necessary to meet changed conditions and to provide for current and reasonably prospective requirements of the communities they serve, at an estimated cost of \$10,000,000.

"PURCHASE OF ALASKA STATE BONDS

69 Stat. 643.
42 USC 1492-
1494.

78 STAT. 506.
78 STAT. 507.

"SEC. 56. The Housing and Home Finance Administrator is authorized to purchase, in accordance with the provisions of sections 202(b), 203, and 204 of title II of the Housing Amendments of 1955, the securities and obligations of, or make loans to, the State of Alaska to finance any part of the programs needed to carry out the reconstruction activities in Alaska related to the 1964 earthquake and subsequent seismic waves or to complete capital improvements begun prior to the earthquake: *Provided*, That the aggregate amount of such purchase or loan shall not exceed \$25,000,000.

"RETIREMENT OR ADJUSTMENT OF OUTSTANDING MORTGAGE OBLIGATION

"SEC. 57. For the purpose of enabling the State of Alaska to retire or adjust outstanding home mortgage obligations or other real property liens secured by one to four family homes which were severely damaged or destroyed in the March 1964 earthquake and subsequent seismic waves, the President is authorized to make additional grants to the State of Alaska in an amount not to exceed a total of \$5,500,000 to match, on a fifty-fifty basis, any funds provided by the State to pay the costs of retiring or adjusting such mortgage obligations. In order to be approved, a State application for a grant for carrying out the purpose of this section must: (1) be in accordance with a plan sub-

mitted by the State, to be approved by the President, for the implementation of the purpose of this section; (2) designate the State agency for retiring or adjusting said mortgage obligations; (3) provide that the mortgagor shall be required to absorb the damage loss to the entire extent of his equity interest in the property and also agree to pay at least \$1,000 of the outstanding mortgage balance; (4) provide that no payments for retiring or adjusting mortgage obligations on a single property shall exceed \$30,000; (5) provide regulations to assure equitable treatment among home owners and to prevent unjustified payments or gains to the State, mortgagees or mortgagors; and (6) provide that the State agency will make such reports, in such form and containing such information as the President may from time to time require, and give the President, upon demand, access to the records on which such reports are based." Report to President.

APPROPRIATION AUTHORIZATION

SEC. 5. There is authorized to be appropriated such sums as may be necessary to carry out the provisions of this Act, which shall be available for obligation until June 30, 1967. There is also authorized to be appropriated such sums as may be necessary for the expenses of such advisory commissions or committees as the President may establish in connection with the reconstruction and development planning of the State of Alaska. The total amount authorized to be appropriated pursuant to this section shall not exceed \$55,650,000.

TERMINATION DATE

SEC. 6. The authority contained in this Act shall expire on June 30, 1967, except that such expiration shall not affect the payment of expenditures for any obligation or commitment entered into under this Act prior to June 30, 1967.

REPORTING

SEC. 7. The President shall report semiannually during the term of this Act to the President of the Senate and the Speaker of the House on the actions taken under this Act by the various Federal agencies. The first such report shall be submitted not later than February 1, 1965, and shall cover the period ending December 31, 1964. Report to Congress.

Approved August 19, 1964.

LEGISLATIVE HISTORY:

HOUSE REPORT No. 1521 accompanying H. R. 11438 (Comm. on Interior & Insular Affairs).

SENATE REPORT No. 1117 (Comm. on Interior & Insular Affairs).

CONGRESSIONAL RECORD, Vol. 110 (1964):

June 30: Considered and passed Senate.

July 21: Considered and passed House, amended, in lieu of H. R. 11438.

July 23: Senate considered motion to concur in House amendment.

July 24: Conference requested by Senate.

Aug. 7: House agreed to conference report.

Aug. 8: Senate agreed to conference report.

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